

D-3116

MORISON alias Shermak ,Vladimir Alexandrovich alias Kuruzash alias William Allum  
Soviet employee-Centrosojus.



D.3116 Morison, Vladimir Alexandrovich, suspected Soviet Agent 19.1.32.

D.5024 Morison Vladimir Alex.-charged by Centrosojus for misappropriation of \$25.000  
22/6

" Mrs wife of above, not charged 22/6

D.3116 Morison V.A. alias Kurugash alias Sherman-Eng from American Consulate General  
re 20.2.40

" William Allum alias of above

" Mrs A.Y. Morison wife of above

D.3115 Morison V.A. mentioned in a File V.I. Holin, suspected Soviet agent ~~15.3.32~~  
15.3.32.

D.5466 Financial and Material support for Chinese Red Armies  
Report of V.A. Morison submitted to the Chinese Military Authorities  
20 October 1933

D.5532 Conspiracy between Ti Yueh Sung and Soviet Authorities re V.A. Morison  
case 8.2.34

D.6716 Morison V.A. mentioned in File "P.B. Silin" 24.2.36

See also Files of Russian Emigrants Committee Case of V.A. Morison against Centrosojus  
(England) in 1934, Question Lists of V.A. Morison and Mrs AY Morison File No 43  
Case of V.A. Morison Cuttings from Russian news papers.



1. J.J. WEISSMANN

2. J.M. GRANOVSKY

3. E. SANEGUINE

4. V. MORRISON

CONFIDENTIAL.

June

22,

33.

Dear Barton,

I enclose herewith a copy of a statement made by Vladimir Alexandrof Morison accused by Centrosejus Ltd. with misappropriation of \$25,000.

The case continues in the Shanghai Special District Court on 28-6-33. Mrs. Morison not charged also wishes to make a statement and, if you ask Mr. Sivens, he will, I have no doubt, keep you informed.

Yours sincerely,

(Sd) A. M. Bourne.

J. Barton Esquire,

M.B.M. Consulate-General,

Shanghai.

A.C. (Sp B.)



File pt.  
JUN 27 1933

Memorandum.

POLICE FORCE  
MUNICIPAL COUNCIL.

Information from Russia

8001 12 1 1933

5024

2016 1933

To

Key.

Shanghai, 26.6.1933

Please make  
this statement the  
subject of a  
Special Branch  
File of which  
the Principal  
index card  
will be  
Morrison  
JMS

Mr. Morrison, 31 years of age,  
arrived in January 1933 and  
"Moscow" in charge of the chemical,  
goods departments. I was appointed  
by the C.G.P.U. Economic Bureau  
Commissariat by Mr. Rosenboltz  
his appointment to Shanghai, my  
time in trade abroad and, therefore,  
to carry out the points as outlined  
by the C.G.P.U. Economic Bureau.  
Following nature:- (1) Political and  
situation in China, particularly

that of the Kiangsu Province (2) The attitude of the foreign  
community and the press (3) The status of the Kuomintang Party,  
the number of its members and its financial state (4) Dissension  
in the Nanking Government, particularly in connection with  
the conflict with Japan (5) whether Jaung Ching Wei, member  
of the Government, visited Shanghai often, where he stayed,  
by whom he was guarded (the number of foreign or Chinese police),  
where he took his meals and who cooked them for him. I was  
told in Moscow that Jaung Ching Wei was a worse enemy of the  
Soviet than Chiang Kai Shek. (6) To ascertain the places of  
residence of the Chinese going over from the Chinese Communist  
Party to Kuomintang and to find out what they had then to relate.  
(7) Also concerning other matters pertaining to the work of  
the "active trio" in Shanghai, I was instructed to approach  
Mr. Ivan Kikifirovich Babich, who was nick-named "Scarlet flower"  
(7) and later re-nicknamed "little boy".

Morison V.A.

Kiev (Russia)

9.30 a.m.

15/VI 33

I, Vladimir Alexandrovich Morison, 31 years of age, native of Kiev, arrived in Shanghai in January 1933 and was employed with the "Centrosjuz" in charge of the chemical, confectionery and building goods departments. I was appointed to the above work in Moscow by the O.G.P.U. Economic Bureau through the People's Trade Commissariat by Mr. Rosenbolts personally. On receiving this appointment to Shanghai, my own wish was only to specialize in trade abroad and, therefore, for about 5-6 months I did not carry out the points as outlined in the mission assigned to me by the O.G.P.U. Economic Bureau. These points were of the following nature:-(1) Political and Economic observation of the situation in China, particularly that of the Kiangsu Province (2) The attitude of the foreign community and the press (3) The status of the Kuomintang Party, the number of its members and its financial state (4) Dissension in the Nanking Government, particularly in connection with the conflict with Japan (5) whether Wang Ching Wei, member of the Government, visited Shanghai often, where he stayed, by whom he was guarded (the number of foreign or Chinese police), where he took his meals and who cooked them for him. I was told in Moscow that Wang Ching Wei was a worse enemy of the Soviet than Chiang Kai Shek. (6) To ascertain the places of residence of the Chinese going over from the Chinese Communist Party to Kuomintang and to find out what they had then to relate. (7) Also concerning other matters pertaining to the work of the "active trio" in Shanghai, I was instructed to approach Mr. Ivan Nikifirovich Babich, who was nick-named "Scarlet" (8) and later re-nicknamed "little boy".

On arrival in Shanghai I first stop ed at the Plaza Hotel, but on instructions from Babich went to live in his home, 374 Kiangse Road, flat 45 for reasons of more convenience in the preparation of the work. 3-4 weeks later Babich's flat came under observation and he suggested that I should move into flat No. 44 next door, whilst he himself went to live in Weihaiwei Road.

During the first 6 months of my sojourn in China-Shanghai I did not apply any concret information as required in accordance with the specifications laid down for me, consequently instructions arrived from the said C.C.P.U. Economic Bureau to the effect that I should immediately proceed with the real work o/therise I will be recalled to Moscow and punished. These instructions compelled me to begin the assigned work, but its progress was slow and incomplete under the guidance of Babich. Moscow seeing that the work did not advance sent out to Shanghai a Mr. Marhoff, who had previously worked on similar lines in Persia and England. With Marhoff's arrival the "active group" was re-organized and included: Marhoff, Babich, myself and one Mr. Zanezin as a candidate. At the same time a Bureau of Party Nucleus including one Nemoudroff (who is now in Tientsin), Babich, Zanezin, Yakimov and myself was formed.

The first misunderstandings with Babich and Levin began in August 1932 when it transpired that Levin was about to sell 100,000 cases of window panes at the cost of 8.25.50 per case,

at the time when the marked price was G.\$1.85-1.90. A telegram was, therefore, despatched to Moscow. When Moscow did not confirm Levin and Babich sent a second telegram stating that they could sell at G.\$1.60 and this was taking place when I had a Chinese firm the "Hwa Yu" Company offering me G.\$1.75 per case. After a lot of trouble with Levin and Babich and my statement to them that I shall despatch a telegram on my own accusing them of bribery, they got a scare and allowed me to conclude an agreement with my firm at G.\$1.75 per case. All documents, certified telegrams and letters in connection with this shady business are in possession of my lawyer Mr. Franklin Chu.

The second trouble with them started when we had to sell some cement, in which instance they wanted to act in a manner similar to the first case. From this last transaction they could have realised for themselves G.\$10,000.00 whilst from the first transaction Levin and Babich could have got the sum of G.\$25,000.00. Babich in particular asked me not to raise any objections, promising to give me a share from these profits or a chance to make something on other sales. When I refused to enter into any such agreements, they began to threaten me with drowning, deportation to the Soviet Union or dealing otherwise with the assistance of Mr. Konlovsky, who, according to Babich was going to be appointed Ambassador to China in lieu of Mr. Bogomoloff.

In citing the above two instances, I want to point out that I could have had a very large sum of money had I agreed



to take part with Levin and Babich in the said transactions and that without any risk of being accused of swindling, fraud, theft or other offences. The documents pertaining to the transactions mentioned were handed over by me to Marhoff on his arrival in Shanghai, the latter making use of them by immediately recalling Mr. Levin to the Soviet Union, whilst Mr. Babich was to follow him shortly.

At the beginning Mr. Marhoff was very nice to me, but latter when he had sent his wife to Moscow and remained alone, he went almost daily to Babich, where I was often invited by him too, but declined, firstly because I regarded Babich as a briber and a dishonest man and secondly due to my ill-health I could not take part in the revelries which were indulged in at Babich's house, when his wife, like a drunken prostitute, used to undress and appear naked.

All the foodstuff required for the above revelries such as caviar, wines, vodka, confectionery supplies, etc. were taken from the "Centrosojus" stocks without payment and when Mr. A.S. Ribin, in charge of these stocks, not wishing to be responsible for the goods taken free of charge, told Marhoff about it, the latter dismissed him so that Ribin is no longer connected with the "Centrosojus".

The chief cause of bad relations with me was that Marhoff had every reason to anticipate that I might take his place in the "Centrosojus" both in business and party matters in view of the possibility that I might have been regarded in Moscow as an honest worker.

The first thing Karhoff got against me was information he had received that I had a brother in America (Philadelphia) which information he utilized by advising the secret agency that I was not intending to return to the Soviet Union. The person to whom I expressed my indignation at being pursued and the disorder and dishonesty reigning in the "Centrosejus" by stating that in the face of this anyone might refuse to go back to the Union, was a Mr. Kosloff, who the day after, as a matter of discipline, reported this my statement to Karhoff. The latter shortly afterwards called me in and said that having received information from someone about my indignation and intentions, by which he suspected desertion, I was to begin getting ready to return to the Union.

The following case made me realize that might happen to me should I go back to the Union. A certain Mr. Greenfeld, sent to Shanghai from Moscow, was recalled supposedly to Vladivostok in connection with extension of work in textile trade, but was immediately arrested and sent to Moscow, where he was tried and executed for the only reason that he was said to have intended visiting relatives in London. This intention of Mr. Greenfeld's was ascertained from his and his relatives' letters, which had been secretly intercepted and read over. These letters were brought to the "Centrosejus" by a Chinese, were handed to Mr. Babich first and then to me for information and were later returned in their original form to the same Chinese who subsequently forwarded them to Greenfeld. For this service Babich paid the Chinese in question and some others.

\$2,000.00 Mex. Had Greenfeld not gone to Vladivostok, where he was summoned by a tricky telegram, a criminal case would have been framed against him as follows:-

A consignment of 400 cases of sweets were sold by Mr. Greenfeld on instructions from Babich at prices considerably below those on the market, resulting in a loss. These sweets were bought by a Chinese named Mr. Hsia. Should Mr. Greenfeld have refused to return to the Union an accusation was ready against him for receiving bribery in connection with the sale of goods at cheaper prices. On the grounds of this charge he could have been sent to Moscow or put in gaol in Shanghai. Mr. Wilhelm, the lawyer, took part in preparing the planned accusation against Greenfeld by promising a bribe to the Chinese, Mr. Hsia, so that the latter would confirm that he paid Greenfeld a bribe. The above case and the instructions given by Karhoff concerning my departure to Moscow, made me decide not to go back to the Union as an accusation might have been made against me too, if not by Babich then by Karhoff that during the sale of soda worth \$25,000, I had also received a bribe as the buyer was the same Mr. Hsia.

I had visited Mr. Karhoff's house only on two occasions - the first time at the end of April when I attended a conference those present being (Karhoff, myself and Waltman, the latter having come from Moscow as an instructor in the party matters and other questions although officially he had come in connection with the Hephtesyndicate). The second time I went to Karhoff's house was on May 9, when he called me on

"Centrosjus" business, but the principal topic of conversation then was that I should go back to the Union, Marhoff saying that Moscow wanted me with a view to an appointment to Turkey, where Mr. Movikoff, formerly in Shanghai, had gone previously.

I agreed to Marhoff's orders to return to the Union, but expressed my wish to go via Dairen and Harbin in lieu of a Soviet steamer, intending thus to visit the Consul General in Dairen and tell him of the real state of affairs in Shanghai (Centrosjus) and of Marhoff's partial attitude towards me, who for some reason or other was wanting to get rid of me. Marhoff emphatically declined to comply with my suggestion, which fact gave me still more reason to think that a case of some sort had been framed against me and that I might be arrested in Moscow for no cause whatsoever and shot like Greenfeld had been. At the end of our interview, when Marhoff asked whether I had made up my mind to travel by Soviet steamer, I said I would think it over and this made him suspect that I was not going back to the Union, but to my brother in America, at which he hinted when seeing me off to the stairs. On the morning of May 16 he called me again to his office and said that he would be waiting for me at his house at 9 p.m./<sup>the</sup> same day, to which I replied that it would be better to talk to me right there and then as nobody else was present in the room at the time. Marhoff, however, raising his voice ordered me to come to his house and added that the car would be sent for me either to my residence or the "Centrosjus" to bring me. I strongly protested against

this arrangement, having been twice before in Karhoff's house and knowing his address very well. However, Karhoff's instructions that I should come to his house were so insistent and apparently of such importance to him that he wrote down the address on a piece of paper and giving it to me said that should nobody be at home I was to wait (this paper with the address on it is now with Franklin Chu, the lawyer). I did not go to Karhoff on the night instructed and had thereby rendered myself liable to be sent forcibly back to the Union.

On the morning of May 19, I went back to work as usual and the same day after lunch Mr. Kovaleff, one of the "Centrosjus" employees came into my room and after calling me out into the hall said that the Consul wished to see me on important business, but if I did not wish to go to the Consulate I may instead in fact must go to Karhoff's house. Mr. Kovaleff also said that he would, after his English lesson, wait for me to go together to the addresses mentioned. This absolutely convinced me that there was something in store for me, as I knew I could not have any urgent business with the Consul in view of Kovaleff being rather vague in telling me where and to whom go in addition to his particular insistence to accompany me. At 7.30 p.m., after the English lesson was over, Kovaleff evidently not wishing to leave me alone, followed me to my office room. Seeing that I could not do anything else as Kovaleff was armed, I consented to go with him and only asked him to wait for me downstairs near the car. When Kovaleff left my room I took a few documents from my drawer

(all of which have been handed to the lawyer) and my hat, I left the "Centrosojus" with the intention of never returning there again. On leaving, I saw Kovaleff standing downstairs by the car waiting for me, but I quickly turned on the Bund and looking back once more saw Kovaleff still standing near the car. Whilst in my room at the "Centrosoju" I wrote a few words to my wife to say that I had gone to Karhoff and might possibly be delayed, handed this note to the office boy, who delivered it to my wife. I knew that on May 19 a meeting was to be held by the "active group" and the Bureau of Party Nucleus at which my fate would be decided and that it depended on them, should I voluntarily not go, to send me off by steamer against my will. I quite believe in the possibility of a man being sent back to the Union by force as I now know what means are at the disposal of the "Centrosojus" to do so.

I once saw myself, when still in Moscow, a man in the Butirska prison, who had been just then brought from Poland in an unconscious state. I was told that this man was formerly a chief of department and was brought from Poland by rail. How much easier this could be done from Shanghai by Soviet steamer. Having a knowledge of the organization and the methods of working by Soviet Union agents in Shanghai, I felt sure I could not hide myself from them anywhere here. Therefore, the same night i.e. within 2½ - 3 hours I left Shanghai by the first steamer available irrespective of its destination. I thus reached Hankow under the name of Morris. My first concern on reaching Hankow was to secure a passport, which I

obtained from the Emigrants' representative in Hankow in my proper name i.e. that of Shermak as the name of Morison was only a pseudonym given me when I left Moscow for China-Shanghai.

Soon after arriving in Hankow, I became aware that I was watched first by a Korean and then by a foreigner; this compelled me to seek protection from the Portuguese Consul, to whom I explained who I was and why I had come to Hankow. I obtained this protection and took up residence in the Consular building.

Shortly afterwards I learnt from the newspaper "Globe" dated 2/VI/1933 that a charge of Embezzlement of Mex.\$25,000.00 was being brought against me by the "Centrosojus". This aroused my indignation and whilst still regarding my life unsafe I immediately left for Shanghai and on arrival proceeded straight to the Police with a view to rehabilitating myself as far as possible in connection with the accusation launched by the "Centrosojus" with regard to me.

I have to state the following about the sale of soda value \$25,000.00 Mex. The buyer for the above soda was found by a Mr. Ivanoff, who was paid about Mex. \$160.00 for this. Negotiations concerning the above transaction had begun already in April, the price of soda per ton having been asked for at \$140.00. The buyer, of the China Mercantile Society, after a lot of discussion agreed to pay \$180.00 on condition that the "Centrosojus" would guarantee 62 1/2% strength of the goods. "Centrosojus" for a long time refused to give one drum so that an analysis could be made of the ~~quantity~~ quality of the

godown, but when the above firm were going to refuse to buy, one drum of soda was issued about April 24.

The godown warrant was given to me after being signed by Marhoff and handed by me to the buyer, who paid me the money for one drum (about K.326.00). After the analysis it proved that the soda was of an inferior quality and contained only 45% strength in consequence of which the buyer offered a lower price. The "Centrosojus", in the person of Marhoff, wanted then 100.00 in lieu of the 14-130, but the buyer was offering only K. 380 per ton in lieu of K.3130.00. The bargaining went on for 2 weeks and only on May 12 an agreement was reached at the cost of K.385.00 per ton. Marhoff was immediately informed of this and approved the transaction. On May 15 the buyer came to the office so as to get the documents and the agreement for the sale of soda, but the documents were not all ready. The buyer, not wishing to wait, said that when everything was ready it should be sent to his office. After the agreement had been signed by Mr. Zanegin and me, it was handed over to Mr. Marhoff. The latter approving the contents of the agreement, asked the Bookkeeping Department for the godown warrants which were always kept in the safe there, then the agreement and the warrants were passed to the general office and officially entered in the books. All the papers were later returned to Marhoff, who called me in again and gave them to me to be handed to the buyer, against payment. On giving me the above documents Marhoff warned me to be careful when receiving the Native Order cheques. The payment was effected by the



buyer in the presence of the Commission agent Mr. Ivanoff. The cheques received were immediately handed over by me to Marhoff personally. About one hour later, Marhoff called me into his office again and instructed me to go to the Bank with these cheques so as to get an assurance from the Bank that these cheques were in order and would be met. This was carried out and I got the Bank to chop the cheques, immediately after returning them to Marhoff, who opened the safe and placed them there in my presence. The following day, May 16, at about 10 a.m. Marhoff called me again and asked whether it could be arranged for the cheques to be cashed immediately i.e. before the expiration of 10 days (the cheques were issued 10 days post dated). I said I did not know how this could be done, but would try and talk to the buyer. Marhoff then also said he was agreeable to pay  $\frac{1}{2}\%$  interest. The buyer at first wanted 1% then  $\frac{3}{4}\%$  and finally agreed on  $\frac{1}{2}\%$ . Prior to going to the Bank for the money I asked Mr. Hsia (the buyer) if it were possible, to lend me his car with the armed bodyguard for the transportation of the money from the Bank to the "Centrosejus". Mr. Hsia, the buyer, gave his consent and the Chinese bodyguard and I went to the Bank in the car. Having cashed the money-- a big bundle wrapped in Chinese newspapers, the bodyguard and I proceeded back to the "Centrosejus" in the same car. On leaving the car together with the bodyguard, the latter accompanied me to the lift and when I got in the he went home in his master's car. It is noteworthy of mention that when we reached the "Centrosejus" ( 2 Peking Road) the Chinese bodyguard

wanted to remain in the car considering that his mission was completed, but I asked him to see me further. On reaching the 2nd floor I met Zanegin at the entrance door to the "Centrosejus", who expressed his surprise that I was carrying such a big and heavy parcel. I then at once proceeded to Karhoff's office and handed to him the whole package of money. Whilst I was in Karhoff's office, Mr. Krassovsky, Chief Accountant, came up to the door and looked through the glass, at whom Karhoff waved his hand showing thereby that he was engaged and Mr. Krassovsky went away. Karhoff did not give me any receipt in acknowledgment of the money brought to him as this had never been done on any previous occasion when I used to give him either cash money or cheques. For example, I once handed him without any receipt, a bearer's cheque for the sum of about G.\$5,600.00, which I had received in payment for the glass sold to the Hwa Yu Company(Mr. Ho), as well as the money I got for one drum of soda and about M.\$1,400.00 for the soap received from the "Centrosejus" compradore and in many other cases in none of which had I obtained any receipts from Karhoff.

I consider that the accusation brought against me of embezzling or spending M.\$25,000 was framed only for the purpose that should I have failed to appear before the Police, I would be apprehended by agents of the Union and forcibly sent to the Union for trial etc. without the knowledge of any authorities, whilst Karhoff would then appropriate the money. This is evident from the fact that no official

FINGERS IN UPPER  
LEFT ARE ON PHOTO'S

statement to the authorities concerned of the stolen money was made up to May 24, whereas I had written and sent an official letter to Warhoff, explaining the reason which compelled me to abandon Soviets, at 8.30-9 p.m. on May 19 i.e. prior to getting on board ship and the last day of my employment with the "Centrosejus". It is, therefore, evident that said case is an entire fabrication and prompted by a desire to avenge me for not returning to the Soviet Union. Although being under arrest at present I feel at least that my life is safe, whereas were I free I could not say the same. Thanks to my close knowledge of what the local Soviet agents are capable of as well as the means, money and persons at their disposal, I also know all the possibilities of their dealing with me either on the spot or by secretly taking me back to the Soviet Union.

I shall make another detailed statement on the general working of the Soviets and their organizational methods on condition of my safety being guaranteed.

The above is a true statement signed by me in confirmation thereof.

Vladimir Alexandrovich Shannik-Soviet

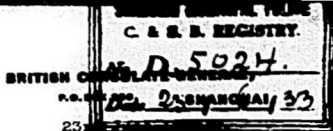
There is a total of twenty two written pages in this statement.

V. A.

Shanghai June 18, 1933.

Mr. Grooms  
A.C. (Sp. B.)  
You will keep him if  
I have no dollar.





My dear Givens,

I have received a letter from Major Bourne enclosing copy of a statement made by V.I. MORISON who is accused by Centrosyjus with the misappropriation of \$25,000.

Major Bourne states that Mrs. Morison, who is not charged, also wishes to make a statement, and so I am writing to you to ask you to be good enough to keep me informed of any further developments or disclosures in connection with this case.

Yours sincerely,

*Vainqueur*

T.P. Givens, Esq.,

Special Branch,

S.M.P.

*o/c 1875  
Givens A. 1875  
Translation - 1875  
1875*

*32  
Let. Insp. Givens is  
arranged to be a  
translator of the statement made by  
Major when ready.*

*These 1875  
1875*

Mrs. A. Y. Morison

Russia

20th June, 1933

Wishing to assist my husband, Vladimir Alexandrovich Morison, whom the heads of "Centrosojus", a Soviet institution under the cover of the British flag, want to accuse of embezzling \$25.000.00, I consider it my duty to make the following statement to show that my husband did not take the money and to reveal the real reasons which compelled him to escape from his former colleagues and join the ranks of White emigrants, never to return:-

As an honest man, who loves his country, and having become convinced how people who call themselves the "Labourers" and Peasants' Government" trample down the people's interests, and also how Soviet bureaucrats, who have attached themselves to various Soviet institutions in the people's name, are doing their "business", he left them. He had to run away in order that they would not take the law into their own hands. With a view to explaining all that happened, I, Adelina Yakovlevna Morison, residing at 436 Avenue Joffre, find it necessary to give below the history of our life.

I met my husband in Moscow in 1928 quite accidentally, never thinking then that this man would be my saviour, at a time when, two months later, I was threatened with deportation to Harbin, as a class enemy of the Soviet Rulers. I am an architect's daughter and my first husband was an officer. I was retreating with him with the White troops in Siberia when he was killed between Petropavlovsk and Cheliabinsk. I then proceeded, together with many others, into the interior of Siberia and eventually reached Harbin where I remained until 1924. Whilst in Harbin I got married a second time and, having obtained permission, we both went to Moscow. My husband came

le  
N.Y.

there at once under the observation of G.P.U., who persecuted him for two years, subsequently cruelly doing away with his family and deporting him for 10 years, only for being a member of a wealthy family. I was hiding for nearly two years under various assumed names, as my fate would have been the same were it not for Morison. When the time came that I should at any moment be apprehended, <sup>1</sup> came to him and told him everything; he showed great solicitude towards me, protected me for a time from deportation, found me work, made me a member of the Union and in about a year's time married me. He was taking a great risk then. The more I got to know Morison, the more I became convinced that he was not like other Soviet workers. He always tried to make things easier for others and I noticed, on several occasions, how he suffered under the terrible circumstances which surround everybody out there. I once told my husband that I wanted to run away over the border, but he dissuaded me to do that. Shortly afterwards, however, he told me that he would try and do so legally.

In January 1932 my husband V.A. Morison and I arrived in Shanghai where he was appointed to Centrosojus. We came from Moscow via Harbin and Dairen, stopping over for half a day in Harbin, where my husband had to report at the Soviet Consulate. In Dairen he also visited the Soviet Consul according to instructions received. When leaving Moscow Morison was appointed to take charge in the Shanghai Branch of Centrosojus of several departments:- (1) Textile (2) Wines (3) Chemical (4) Miscellaneous (the sale of glass-ware, medicines, gramophone records, etc.) However, after having visited the Harbin Soviet Consulate, he was released from having charge of all other departments except the Chemical in view of the special political work with which he was entrusted.

My husband is a Chemist by profession. Two years prior



to going abroad he graduated in Chemistry from the Moscow Technical School. The term in the Technical School was 3 years; it was an intermediary educational institution between a school of 2nd grade and a high school. Graduates from the Technical School, after a practical course, joined the High School.

We arrived in Shanghai together with one V.I. Holin, a cotton thread specialist, also sent to the Shanghai Centrosojus office. He was recalled to U.S.S.R. two months later i.e. in March 1932 for having got corrupted in the bourgeois surroundings and maintained relations with the Whites. On arrival in Shanghai we were met at the wharf by the following Centrosojus representatives:- Ivan Nikifirvich Babich, assistant manager of the Tea Department, Albert Yakovlevich Weinerman, member of the Textile Department, Alexander Sergeevich Ribin, also employed by the Centrosojus and a specialist in fur and other lines, which I do not remember. We stopped at the Plaza Hotel in Rue Montauban, where we remained for two months. From there we moved into I.N. Babich's flat in No.374 Kiangsue Road, flat 45, Bank Apartments. Babich's flat consisted of 3 rooms, of which we occupied one having a joint dining room. Babich was officially known to be assistant manager of the Centrosojus Tea Department, but did not conceal the fact that he had charge of more important policial work. In the course of conversation with Sergei Semenovitch Tseluhoff - assistant manager of the Dalbank, who was also engaged on political work, and was a member of the Dalbank only as a screen, Babich said: "You know that I have more important work than tea. It is noteworthy that Babich's official pay is G.\$185.00 whereas actually he drew G.\$230.00, his real pay as well as that of other important communist workers not being made known to the general Centrosojus staff. We stayed with Babich for about a month, when they sold the flat on

the grounds that police employees were living in the building and they were afraid of being watched, as it was difficult, under the circumstances, to engage in conspiracies. The flat had been bought by Babich for about \$700.00, but sold by his wife for \$1100.00 to a Chinese, when most of the valuable articles marked on the list were replaced by her with specially purchased cheaper articles. Mrs. Babich comes from an ecclesiastical family, she is about 36 years of age, but usually tries to appear younger and to conceal her real age. She has been a member of the Party since 1919 or 1922 and often boasts of the fact that she had been shooting Whites herself. She is said to have graduated from a Teacher's Institute. Mrs. Babich has the reputation of being a "Soviet Messalina"; she is found of drinking and being wicked and is said to report all those who do not respond to her advances of affection. She keeps her husband in terror and on occasions, when angry, is known to have locked him up for the whole night in the kitchen. Babich put up with it all because his wife knew a lot about his financial tricks, which she could have revealed to the Communist Party. Mrs. Babich always tried to have the leading part; she and Mrs. V.A. Rover, whose husband was former local representative of the Tass News Agency, 19 Museum Road and at present 38 Avenue Edward VII, were at the head of the local Women's Department. Mrs. Babich made efforts to include me in the Communist nucleus, but I declined taking any part in active work, giving the excuse that I had to cook myself owing to my husband's ill health and the need of good food, to which she always replied: "That is of no importance, engage a cook". In her opinion, wives of Soviet employees - Party members - had to help their husbands by watching others and reporting them just like other members of the "Section".

When making suggestions that I should work as a member of the "Section", Mrs. Babich used to say that under those circumstances alone I could and should make friends with the Whites with a view to finding things out. Generally speaking Soviet employees abroad are prohibited from associating with the Whites and all foreigners, as well as to read Emigrants' newspapers, have clothes made in Emigrants' shops or buy things in them with the exception of a few such as Shainin, for instance, who deals in Soviet goods. Other stores allowed to be used were those of Klebanoff, Polonaky and a few more. We were also advised to consult only our own doctors such as Dr. S.S. Shpilberg, 49 Hanking Road, Room 17, residing at 65 Dennis Apartment, Bubbling Well, and Dr. A.A. Shishlo, Hankow Road and Dr. I.G. Lobzovsky, 7 Peking Road, as Dentist. When my husband was operated on by Dr. Rosenzweig, who was not one of our own physicians, he was reprimanded.

The other active women of the "Section" in addition to Mrs. Babich were Mihereva, the wife of A.V. Mihereff, a non-party member and a tea specialist. As a result of her reports on him to the effect that he might get "corrupt" here, he was transferred from Shanghai to London, they said, although he was innocent of any offence. The wife of Gahanin, Secretary of Soviet Embassy, also an ardent member of the "Section". She was entrusted, apparently on the grounds of reports despatched to the Centre, to keep an eye on the lives of the wives of Soviet employees, so as to see which of them had got corrupted under the influence of living abroad as the bourgeois class, etc. Mrs. Gahanin, in carrying out her task, used to visit Soviet wives and openly search their possessions on the pretext of mere curiosity. Sometimes a blanket cover or any other trifle were given as an excuse to prevent this by the owner. It is of interest that Mrs.

L. Oshanin is wife by appointment of the Communist Party, Oshanin's real wife and child being in Moscow as evidently his former wife was not sufficiently active in Party matters. Babich's wife was a cowardly member of the "Section". On one occasion she had to hand a parcel, containing secret papers, to one Timofeeff, a Soviet courier, officially employed as cargo supervisor on Soviet Commercial Fleet steamers. When in Shanghai Timofeeff stays at 10 Hankow Road, Mrs. Goversall's English Boardinghouse. Babich then said to me that she was being followed and asked me to take the parcel, but I refused. Next morning Babich took the parcel to the market and passed it on to someone there.

Not so long ago at a meeting held by Soviet wives including Mrs. Oshanin, Kovaleff, Weisman, Lifanoff, Kerploff and others - a total of 8 or 9 - the case of one Mrs. Silantieff-Tsiman, wife of J.S. Tsiman, an employee of the "Sousneft", was discussed. She was blamed for complaining of her husband's treatment of her as she was not a Jewess, of relating about his sadism and sexual perversity, etc. At first they wanted to advise her to go away to U.S.S.R. and decided to send Mrs. L. Oshanin and me to talk to her, but I dissuaded them. Mrs. Silantieff-Tsiman remained in Shanghai when in May 1935 her husband was transferred to U.S.S.R.

Whilst watching Soviet wives against possible "corruption", Mrs. Oshanin herself, dressed beautifully, like all other wives of Soviet diplomats. This was called "special dressing", which term was introduced by Mrs. Kolontai, the Soviet Ambassador, when at one of the meetings in answer to an enquiry with regard to her expensive clothes, diamonds and other valuables, she explained that it was all only "special dressing" similarly to long coats and top hats of Soviet male diplomats.

The female members of the "Section" watch not only

emigrants, but Soviet employees and their families as well. Mesdames Rover and Babich at one time kept a watch on Mrs. Kovaleff, wife of A.P. Kovaleff, in charge of the Fish Department of Centrosojus because she was taking English lessons, whilst residing in Srulevich boarding house, from a man named Ivanoff, I think a lawyer, who was not very reliable and was suspected of being purposely sent by the Whites. She was forbidden to continue taking lessons from him.

Mrs. Kovaleff is a Cossack woman by origin, a Party member, very coarse and immoral. At one time her name was associated with one S.S. Tseluhoff. During the civil war she was in the ranks of the Red Army.

There are women members of the "Section" amongst the Emigrants too; one a Jewess or an Armenian, 36 years of age, was pointed out to me as such; she often leaves Shanghai. Heads of the local Soviet institutions who are active members carry on extensive work in corrupting Russian emigrants by bribing them, thereby making use of the poverty of one kind and lack of scruples of the other. Active members are informed of everything that is discussed at any time at the meetings of emigrant organizations, when junior agents attend under the guise of commission agents. The more prominent members of these, I remember, are one Dobrishman, employed by a large foreign firm; he is a Russian Jew and bought fish from Centrosojus for that firm through Kovaleff and was also on good terms with Babich and Levin, to whom he made extensive presents. Another ardent member of the "Section" is one named Sheikman - the owner of Globe Company in the Continental Building, Hanking Road.

The Emigrants' Committee is regarded by Soviet agents as the most powerful of all emigrant organizations, whilst the newspaper "Glovo" is considered the most hostile of White newspapers, but at the same time also genuinely

idealistic. It was mentioned that in Harbin, Lembich at one time used to receive a subsidy from the Soviet and utilised this money to build a country house. When an article of anti-Soviet nature, appeared, people laughed and said "they have not been oiled". The Soviet opinion is that emigrants will never get united owing to the egoism of some and the provocation of others in the pay of the Soviet. There are in Shanghai, according to Soviet information, over a hundred White emigrants well off financially, who only live for their own pleasure and do not contribute towards the military active White organizations operating in Soviet Russia. Provocators exist everywhere. Chekists at first always allow the Whites to arrange their plans within the territory of U.S.S.R. and then cruelly punish them. Sometimes Chekists come under the guise of refugees from the concentration camps of exiles and then begin their provocative work here.

The care Soviet employees have to exercise is shown by the fate which befell Michael Borisovich Greenfeld, who on false report of a "Section" member was recalled to U.S.S.R. supposedly to discuss matters in connection with the extension of the Textile Department in the Shanghai Cantrosojus, of which he had had charge. On arrival in Vladivostok he was arrested and was rumoured to have been shot. He was accused of planning to join the ranks of deserters and of corresponding with his brother residing in London. The "Section" member who reported him, was a wealthy emigrant merchant. One of the accusations brought against him was the fact that he lived in the house of the divorced wife of Vidumsky, manager of the Hanking Theatre, at 25 Park Apartments, 455 Rue Lafayette. Vidumsky, according to Soviet information, was employed by the French Police. This was discovered when his daughter once said that her father

had a revolver in him and was working in the French Police. Kozloff, manager of the Economic Department of Centrosojus and Lifanoff, his assistant, also lived there and were asked to leave. In view of conspiracy the departure of Greenfeld was postponed to Spring, when the wives would be gone to summer resorts. Kozloff and Lifanoff both have perfect knowledge of the Chinese language, having graduated from the Lazareff Institute in Moscow. Kozloff in particular speaks it well. They both receive frequent visits of and have meetings with Chinese communists, many of whom speak Russian well as they studied in U.S.S.R. On the occasion of a visit to Kozloff's house I met 2 such Chinese and was introduced to them. Kozloff was later reprimanded for this breach of conspiracy. Meetings with Chinese Communists often took place in public places such as cinemas and Hai Alai. Lifanoff is a very active and reliable communist worker; he utilises even meal times to hold agents in the different restaurants. A Chinese, 28 or 30 years of age, who looks like a Japanese, with a narrow face, small eyes, very pale and worn out, wearing foreign clothes, is working in the Economic Department under Kozloff. This Chinese is a worker on political lines. I remember when I was leaving Centrosojus after the running away of my husband, he was instructing the other Chinese to keep a watch on me.

When Babich and his wife moved to 135 Tai Hai Road, flat 13-G, they asked us to come and stay with them again, but my husband declined the offer fearing the bad, corrupting influence of Babich's wife and also because that place was one of the centres of communist work. The group of "active" members - leaders of local political work namely V.A. Lever, S.S. Kozloff, S.S. Goffer, manager of the local Chinese Eastern Railway

Agency, A.I. Levin, Manager of Centrosojus, and M.N. Markoff, his successor usually met at Babich's. Such meetings were, as a rule, disguised as parties at which eating and drinking was indulged. They avoided meeting too often. Sometimes they met in the theatres as if by chance. When we stayed with Babich in Kiangse Road various meetings were very often held there. Visitors came in different lifts and some through the courtyard and by the back stairs. My husband used to ask me to leave the house about one hour before, without saying anything, but I knew very well myself what was happening. On returning home I was always prepared that I might find everybody under arrest. When under the influence of fear for my husband's fate, I used to say "What if you get arrested" he always answered back "Well, let it be so, a good thing too" apparently hoping thereby to get rid of the oppressive Soviet work. Owing to the conspiracy we kept the servants half a day only. When Hemdreff arrived and there was some urgent work to be done, meetings were often held at 10 Hankow Road under the guise of parties. On these occasions we, the non-party women, were told to enjoy ourselves whilst the men conversed.

Heads of Centrosojus, Babich, Levin, Kovaloff and others recklessly spent the people's property entrusted to them on service for their own needs. Wine, caviar, fish, perfumes, etc. in large quantities were taken and used by the Party leaders for Soviet parties. The tables were literally laden with wines, caviar, and other expensive eatables sent down by the suffering Russian people in order that communists may obtain therefrom the required foreign currency.

Meetings are also often arranged in the Parks, Central Field Park being a favourite spot. They come there as if by coincidence with their wives and children.



meetings of the Political Bureau are often held in the office during business hours, when important questions are decided. Meetings are also held on board Soviet steamers including Chinese communists when many of the latter come as cargo coolies.

Having refused to go and stay with Babich we took up residence at 3 Carter Road, a boarding house, under the management of Mrs. Glushkoff. We very quietly there and had meals served in our own room, but still in about one and a half months time we were told to leave the place "as it was not considered suitable". We, Soviet employees, were recommended to live in foreign boarding houses such as Mrs. I. Gomersall's at 10 Hankow Road, M-me M. Pasche, 47 Rue Amiral Courbet and II Yuen King Yuen Road. Formerly we were not allowed to live in the French Concession at all, but were always advised to have our own homes. We took flat No. 44 at 374 Kiango Road, with the assistance of Babich, who had lived in that building before. We bought our furniture at auctions.

After we arrived in Shanghai a change took place in my husband, he became nervous, lost in thought most of the time, and showed displeasure with his comrades seeking as much as possible to avoid them. This intrigued them and they began to watch him. My husband began to neglect his political work. Although he talked little of business to me, I knew that Babich especially was a source of worry to him after he had prevented Babich and Levin to steal a large sum of money, being interest from the sale of a consignment of glass. The "active group" then decreed to remove Morison, but shortly afterwards someone else had arrived from the Centre and stopped the whole affair. However, in September 1932 when Michael Markovitch Nemudroff, an employee of the "Sousnet" and a prominent communist, had arrived in Shanghai and became

the local Party Bureau, my husband and he disagreed. Nemudroff came to the fore from amongst factory workers, and had previously served in the Red Army. At present he is working in Tientsin office of the "Sousneft". The trouble with Nemudroff began in the following way. The Babich couple, who hated my husband for his revelations of the fraudulent transactions by Babich and Levin entertained Nemudroff and gave him presents with a view to putting him up against Morison. Lately they were joined in their campaign against Morison by one Efim Alexeevich Zanagin, a prominent employee of Centrosojuz, an ambitious, but not very clever man, who always wanted to be first. His quarrel with my husband was chiefly due to employment competition; he resented Mr. M.N. Markoff's good attitude towards my husband. <sup>PR</sup> Mark Natanovich Markoff (a pseudonym) is a Jew, native of Riga or Vilna and a professional revolutionary. At one time he was engaged in subversive work in Latvia and was later employed in London and Persia, later still holding an important post in Turkestan. His wife is German and a cinema operator. She went to Moscow recently in connection with communist matters. Markoff trusted my husband and sought his advice on party matters when he first came. He used to visit us sometimes on business. My husband asked me to go out for a walk on those occasions. Upon Markoff's arrival Soviet institutions began being cleared of fairly unreliable and insufficiently well classed elements. The following were dismissed:- Grisha Dribensky, one of the accusations against him being that his sister married a wealthy merchant named Epstein; Ribin for being an alleged ex White army officer; Hartman from the Dalbank for having a German passport in his possession in addition to the Soviet. Several more are still due for dismissal. Gabernak is holding his position only because there is no substitute

available.

S.S. Tseluhoff is head of the Shanghai MOPR. Last year he went for six months to Moscow with a report. Tseluhoff graduated in Moscow after serving in the Red Army. He is a member of the local "active group" and Communist Party. In 1932 whilst residing in the house of an Englishwoman in Yu Yuen Road he lived with her, being reprimanded in connection with this matter he had to change residence. He is known to be, although not a very clever man, an exceptionally reliable and hard worker.

Ivan H. Babich is a native of Ukraine, he was formerly a political instructor in the Red Army. He is a graduate of Middle School and went through a diplomatic course of the People's Commissariat of Foreign Affairs in Moscow. He is a member of the active group of Communist Party, and a great patriot of Ukraine. Taking advantage of his position, Babich accepts bribes in money, expensive gifts such as watches, cigarette cases and pens. After graduating from the diplomatic course he was appointed Consul to Mongolia, but not wishing to go to an isolated spot he sought Koslovsky's protection, the latter being formerly Soviet Consul in Shanghai. Babich is fond of boasting of his connections. He is under the influence of his wife who instigates him to commit service abuses.

Zanegin comes from the ranks of railway workers; has lately been connected with Textile business, but is not much of a worker. His wife comes from a better family of Railway people.

Kozloff is said to be of good class; he graduated from the Lazareff Institute of Languages in Moscow and prior to coming to Shanghai had lived in Harbin. Here he is in charge of the Economic Department. His wife is a prominent communist worker, she speaks Chinese but conceals the fact. It is said that she was, when in

Harbin, connected with Chinese Communists in Party work.

Lifanoff is also a graduate of the Lazareff Institute of Eastern Languages and is a reliable communist worker.

Yakimenko comes from a family of industrials of small category. He studied in Moscow. Here he is an assistant in the Timber Department and a member of the Bureau.

Kovaleff comes from a family of fishermen. He was a commissar in the Red Army. He graduated from the Teachers' Institute in Moscow and was working in connection with food supplies. At first he took an important part in Party matters locally, but his position was undermined as a result of disagreement with Levin.

Levin, according to his own statement, is a former printer and book-binder. He has been engaged in subversive work in Harbin and later connected with Centrosojus in Shanghai. After leaving Shanghai he has now lived for 3 years in Moscow, where he has a home in which his mother resides. He will not return to Shanghai.

Everyone of the Soviet employees, even a non-Party member, is compelled to do some work or other in the interests of the Soviet, sometimes even being ignorant of the fact such as making casual enquiries, etc.

During the past few months Markoff's attitude towards my husband changed because of the latter standing aside in Party work and as a result of the intrigues against him by Babich and Zanagin. Markoff evidently had offered him to return to U.S.S.R. to give explanations, but then the matter seemed dropped. The last two months my husband was very nervous, as if he feared something and the last few days he was in a terrible state, some constant fear pursuing him. I once hinted that I noticed what was happening with him and he then replied that he

would gladly run away, but was afraid of them, as they, the beasts, gave him no peace.

On May 19, 1933, I was waiting for my husband to come back from his English lesson; he was studying in a group at Centrosojus, 2 Peking Road, with Miss Fletcher. The group included my husband, Kovaleff, Bykoff and Ribin. At 8 p.m. he was not back. I waited for him till 9.15p.m. and decided that he must have been detained on business. It was raining so I took his coat to him. When I came up to Centrosojus I found it all in darkness and closed; I then went to the Garden, which he often frequented, but did not find him there either. I again waited for him until 2 a.m. and then feeling very nervous and almost going crazy, I went to Kovaleff and woke him up. He told me to be calm saying that my husband was probably either at Markoff's or at the Centrosojus. I eventually succeeded in persuading him to accompany me to Centrosojus; we woke up the Boys and they said that my husband had left following Kovaleff about 8 p.m. We then phoned Markoff although it was after 2 a.m. and were told that he was not at home. However, we went there ourselves and the proprietress also told us he was out. I asked Kovaleff to come with me to the Police. Although he at first emphatically refused, he finally agreed on condition that I would not mention it to anyone that he had been to the Police. I promised him that and we went to the Central Station and reported Morison's disappearance from May 19 to 20. Kovaleff then took me home and told me not to worry, but I went round alone to all the principal hospitals enquiring after my husband and in the state of excitement lost my hat and shoes. When I returned home about 6 a.m. on May 20, and opened the front door I found a letter from my husband in which he told me that he was going to Markoff on business after the English lesson. The letter was evidently written

into the letter box, but I did not notice it the night before through being so excited and only made the discovery around 6 a.m. on May 20. Taking the letter I went to Weisman in Honan Road waking him up about 7 a.m. Having heard that I had been to the Police, he was horrified as to how I dared do so especially in view of the letter telling me that my husband had gone to Markoff.

At about 9 a.m. Weisman, Zanegin and I went to the Centrosojus. Everyone there expressed indignation at my report to the Police. When Markoff arrived he was mad with me and shouting said how could I make a report to the Police the "fool and a non-Soviet woman" that I was. He then added that nothing had happened to my husband and said that Morrison evidently went to Hanking to see Bogomoleff with a complaint against the Centrosojus and tried to comfort me with this. I did not believe him and was still nervous begging them to have pity on me and tell me what happened to my husband as I remembered that my husband was lately suffering from a depression and feared something. I, therefore, had reason to think they had done him some harm and consequently begged to be told the truth. Markoff in reply scolded me calling me crazy and finally told me to go away. I left his office in tears and was taken into another room, where I wept bitterly. Sometime having passed, I don't quite remember how long, I was called again to Markoff's office where, sitting at his desk and waving some letter in the air he said: "Hays, you foolish and crazy woman, is a letter from your husband. He has left for Vladivostok". I asked him to show me that letter, but he bluntly refused and was swearing all the time. He then said: "The letter is not for you, and we will not show it to you". I then asked why did I not have anything and Markoff said that my husband left me and won't have anything more to do with me. I continued

begging Markoff and even went down on my knees but he pushed me and I fell between the chairs. Serebroff and somebody else lifted me. I then got hysterical and in this state screamed that they had killed my husband and that was why they refused to show me his letter, which he had probably written prior to his death. Markoff approached me and waving his hand before my face shouted: "If you are not quite mad yet we will make you so and you will be quiet then". I was led away from Markoff's office by force and brought home in Kiangse Road accompanied by Yakimenko, Moiseeff and someone else in the Centrosojus car. This happened about 12 noon or 1 p.m. From nervousness my left leg and arm got numb. I was given a bath and then put into bed. Later on Mrs. Zanogin, Weisman, Kovaleff and Bykoff came to see me and trying to comfort said that I should get calm and go to Vladivostock. They also said: "He is a scoundrel, don't you see, you will meet him there and have it out". I got hysterical again. I could not believe that my husband had left for Vladivostock as there was no steamer going there and he could not have gone by any other way. I again recalled my husband's recent state of depression. The fact that they refused so persistently to show me the letter seemed only to emphasize that something had happened to him. I got frightened at the mere thought of it and said that until I see that letter myself and will not be convinced that my husband really went to Vladivostock I will not go anywhere. They continued to say "We assure you that he has left for Vladivostock and you must go there immediately". I refused to do so until I saw that letter. They went away at that leaving me with only two of the women: (Moiseeff, Markoff's secretary and a Party worker) and Bykoff. These two remained with me until late at night. On Monday, May 22, I went to see Markoff again, at

Centrosjus, and told him that I would not go to Vladivostock until I am shown that letter. He got angry again and striking the table with his fists shouted at me that the letter was not for me and he will not show it. I then again told him I won't go anywhere and will try and find out by other means my husband's whereabouts, not believing that he has gone to Vladivostock.

The same thing happened again, Markoff swore and I was finally led away from his office into that of Mrs. Moiseeff (the Secretary), when soon after almost all my husband's colleagues came in there. I told them that Markoff's and their behaviour made me think that they had done something to my husband, or else they looked him up somewhere prior to being sent away, if not killed already. I also added that I would ascertain myself as to where they got him to. They became alarmed then and began to calm me. I was called again into Markoff's office when he promised to show me the words in the letter which would prove to me that he (my husband) really left. Having calmed down somewhat, I agreed to wait until the letter was brought, as they said, from the Embassy. I was sent meanwhile to the house of Serebrenoff accompanied by Mr. & Mrs. Moiseeff and Mr. Kovaleff. Serebrenoff came in shortly and brought the letter. It looked a long one - about 2-3 sheets - but was rolled up so that I could only see the words "I have gone back". I could not see any other words as Serebrenoff showed me the letter from far. The words "I have gone back" were not in my husband's handwriting, I am certain of that. Having asked him to, he showed me the letter closer, but I still had the same opinion; the writing was not that of my husband. After some conversation, when I had asked him to show me my husband's signature and the form of address, Serebrenoff thinking for a long time first then went away



as if to consult someone, and returning showed me my husband's signature: "Yours faithfully, V. Morison". This time it was my husband's handwriting and signature. This letter did not console me; on the contrary it made me think still more that something had actually happened to my husband and that he was not in Vladivostok. Mr. and Mrs. Moiseeff soon took me home in a car; this was about 8 p.m. May 22. (I forgot to mention that on Sunday, May 21, I lay all day ill in bed). During that time from morning to night almost everyone of the Centrosojus employees and their wives came to see me expressing their sympathy, consoling me and packing up my things for the journey to Vladivostok. The Moiseeff couple stayed with me until 10.30 p.m. when three more men came in i.e. Yakimento, Kovaleff and a fair haired man, an employee of the Dalless", whose name I do not know. Yakimenko came alone into my room and said: "I want to talk to you". I got up with great difficulty and we went into the bathroom. "Well, have you calmed down?" asked Yakimenko and I answered "How can I get calm when I do not know what is what?" He then said: "That's enough, believe us we are not feeling you, but wish you your own good. To-morrow we will come and take your furniture away to be sent to auction and then you can get ready yourself. Should the Police come and ask after Morison you must say that he has gone to Vladivostok and that you too are going there. If the Police ask how do you know that he is in Vladivostok you must say that there is a letter from him to that effect. Should you, however, let your tongue loose as you did in Markoff's office, I have been instructed to tell you".....At this point Yakimenko significantly touched his pocket. I promised him not to tell the Police anything but what he instructed me to do. Staying with me a little while longer, they all

left. When I remained alone I began to think more than  
before than ever that they had done something to my hus-  
band or that he had done something to himself as the  
letter was written by him except the words shown to me,  
I am positive about that.

On the morning of May 23, Detectives Beloshenko and  
an Englishman came to me. Asked by them where my husband  
was I answered in the terms of Yakimenko, adding that a  
letter had been received from my husband to say he had  
gone to Vladivostok and that I was following him. The  
Police appeared surprised at my going away so soon, but  
soon left. Really I did not intend to go away at all,  
I only told them that. On the same day my furniture was  
taken away from the flat by the auctioneers. Yakimenko  
took charge of all the papers concerning the furniture.  
I was being prepared as fast as possible for departure  
by the s.s. "Lazovsky". When the s.s. "Lazovsky" arrived  
on May 24, I asked Yakimenko and others not to take my  
baggage on board the s.s. "Lazovsky" until the following  
day. At dawn of the following day, however, I left my  
house for 436 Avenue Jeffre, where I am still staying.  
I wanted to run away before, but could not do so because  
almost daily up to 1 a.m. I was being watched by all the  
Centrosjms employees and their wives in turn. Even now,  
from time to time, they look for opportunities to meet  
me. When we do meet they try either amiably or under  
threats still to convince me that I should leave for  
Vladivostok. When I refuse they say that I shall not  
see my husband in any case as he will be theirs anyhow;  
they also still reproach me for seeing the Police and  
tell me to leave off that as both the foreign and Chinese  
Police can be "bought" and "sold" by them as all detectives  
are prone to bribery. Then again: "Don't you be silly  
and harm yourself for a scoundrel like your husband".

"Go home - nothing will be done to you for not submitting to instructions right away. If you stay here you will perish because you can't even go to a bar like the White officers' wives. In the Union, however, you can be useful", etc. etc.

On the morning of June 12, I called at Centrosejus to find out whether anything was further known about my husband. When I came into Kovaleff's office, I hardly had time to say two words when Babich came in and upon inquiring how I was, asked me when I was going away. When I answered that I did not as yet intend to go away he said: "That's foolish. You have caused enough trouble, it is time for you to get sensible and go home". Several other employees then came in one after another and began to advise me to go and stay at the Embassy, where a room with bath attached would be provided for me, so that after I had rested there, I could go home. When I absolutely refused to agree to the above, saying that I will not go anywhere until I know something about my husband, I was again scolded and threatened that if I continue having anything to do with the Police, it will mean no good to me.

On the morning of June 13, I learnt that my husband had voluntarily come to the Police so as to rehabilitate himself vis a vis the charge of embezzlement brought against him by Centrosejus. My last meeting was with Mrs. Bykoff on June 17; the latter undoubtedly acting on instructions. The same things were said again:- friendly advices, warnings, threats of starvation, etc. etc. also phrases such as "Why don't you have pity on yourself, Ada, by remaining here. The Police will be questioning you closely and you do know a lot." I promised her not to tell the Police anything, adding also that I was not going anywhere and wished to be left alone and in peace, so asked her please not to come and see me anymore. We parted at

this, but not as friends.

I became calmer and was able to breathe freely only when I knew that my husband was alive and not in the claws of the Chekists, but had given himself up to the Police voluntarily in order to clear up the falseness of accusations brought against him. It is the usual custom of the Chekists to "blacken" the character of the person who leaves them.

I firmly trust that the Court and the Russian and Foreign Public will understand and acquit my husband, who is not a criminal as the Communists are trying to make him out, but a long suffering human being, who, although rather late, has understood the peril for Russia and the whole of humanity of Soviet communist rule and teaching. He has consequently broken away from the past associations on the grounds of real conviction.

Signed: A. Y. Morison  
Shanghai, June 30, 1933.

Memorandum.

POLICE FORCE.

MUNICIPAL COUNCIL.

To...

Shanghai,

26.6.1933.

Please let  
me know if there  
is any likelihood  
that Museum will  
give further  
information.

o/c S.B.

S.S. Prokopiev

JK  
informs me that Museum  
promised to make a  
further statement upon the  
conclusion of the case.

S.B. 29/6!

Memorandum.

POLICE FORCE.

MUNICIPAL COUNCIL.

To

Shanghai, 24: 6: 1935.  
52,

Please  
endeavour to  
obtain the  
statement from  
him when the  
case concludes.

SS. 247. JH.  
SSR 207.

**MEMORANDUM ON V.A. MORISON AND HIS CASE AGAINST THE  
CENTROSOJUS.**

Vladimir Alexandrovitch Morison, Soviet citizen of Jewish origin, born 1901 at Kiev. He first came to the notice of the Municipal Police in January, 1932, following his arrival in Shanghai from Dairen together with his wife, Mrs. A. Ya. Morison. He is reported to have graduated in Chemistry from the Moscow Technical School in 1929 or 1930. In Shanghai he was appointed manager of the Chemical Department of the local branch of the Centrosojus (England), Ltd., No. 2 Peking Road. Following their arrival in Shanghai the Morison couple resided at the Plaza Hotel for about two months, after which they removed to Flat 45, No. 374 Kiangsai Road. This flat they shared with I. N. Babitch, assistant manager of the Centrosojus. In the beginning of May, 1933, they went to live at No. 3 Carter Road, from which address they soon removed to Flat 44, No. 374 Kiangsai Road where they resided until the time when Morison decided to sever his connections with the Centrosojus.

Early in the morning of May 19, 1933, Mrs. Morison came to the Central police station and reported that her husband had been missing since the evening of May 18. From her statement to the press made at a later date it appears that she did so being under the impression that something untoward had happened to her husband and that the local Soviet authorities had something to do with the affair. It seems also that her action in reporting the matter to the police aroused the indignation of Mr. N. N. Markoff, manager of the local branch of the Centrosojus, and that efforts were made by him immediately to place Mrs. Morison on board a Soviet steamer, which was scheduled to leave Shanghai for Vladivostock within a few days.

Mrs. Morison, however, refused to obey Markoff's order pending some definite information regarding the whereabouts of her husband, and on May 23 secretly removed to No. 436 Avenue Joffre.

On May 24, Mr. Markoff reported at the Central police station that V. A. Morison had absconded taking with him the sum of \$25,000., property of the Centrosejus.

Nothing was heard of Morison until June 13 when he came to the Central Police station and stated that while in Hankow he had learned from newspapers of the charge of misappropriation brought against him by Markoff and that, therefore, he had returned to Shanghai in order to surrender to the police and rehabilitate himself in connection with the charge referred to above. He also stated that while in Hankow he had taken out emigrant's papers.

Morison was brought before the Shanghai Special District Court on June 14 on a charge of misappropriation. The case was remanded until June 28 when he was acquitted.

The reasons why Morison so suddenly severed his connections with the Centrosejus and repudiated his Soviet citizenship are not clear. The management of the Centrosejus were unable to prove their allegation regarding Morison having misappropriated their money and, on the other hand, Morison's general attitude towards the Centrosejus during the whole period following his open breach with that concern contradicts his declaration that in breaking his relations with the Centrosejus and becoming an emigrant he was inspired by motives of a political nature.

In the introductory part of Morison's statement, which he made to detectives of the Central police station on June 15 ( Appendix " A " ), as well as in Mrs. Morison's



statement to the press on June 20 (Appendix " B "), their endeavours to represent the whole affair as a purely political one, are evident. According to them, Morison was charged with a certain secret political work in Shanghai, which he was reluctant to carry out. He also came into conflict with certain employees of the Centrosojus on account of his opposition to their dishonest handling of business transactions to the detriment of the interests of the Soviet government. Therefore, he was first made the subject of persecution on the part of Markoff and finally was ordered to return to the USSR where, he was sure, a severe punishment <sup>awaited</sup> ~~expected~~ him solely on the strength of the accusations made against him by his enemies. Consequently, he refused to obey the order and, as a revenge, a false criminal charge was brought against him by the Centrosojus in order to blacken his character. The nature of the secret political work, with which Morison was entrusted, was described in his statement in very vague terms. However, he stated that he was prepared to make a detailed statement on the general working of the Soviet organizations, if his safety was guaranteed.

As soon as members of the Special Branch were allowed to interview Morison, the matter of the statement he intended to make was taken up, but he showed a stubborn reluctance to discuss the subject. At first he demanded a guarantee that a visa would be granted to him to enable him to proceed to a certain country. His next excuse was that he had been advised by a certain party to keep his mouth shut. Finally, he said that he was under no obligation whatever to supply to the police any information on the subject in question. After much reasoning he was persuaded to make a statement on what he knew about the alleged political activities of the local branch of the

Centrosjue and their individual employees. However, after this statement had been taken from him verbatim in the course of two interviews during the period of his detention (June 25 and 26 respectively), he refused to sign it.

The statement consisted of information of a general character and of details of various Soviet employees' past life, which may or may not be true. It did not contain a single fact of interest, which could be verified or serve as a starting point for investigation. The following detail shows how much this statement could be relied upon:-

On being asked if agents of the Comintern of the Houlens type were in contact with local Soviet employees engaged in secret political work, Morison replied in the affirmative and added that on one occasion I. N. Babitch, when hastily leaving the premises of the Centrosjue, said that he had to keep an appointment with Houlens who was waiting for him in the Public Gardens. Asked if he could remember the date, Morison, after some deliberation, replied that he was certain it was late during the autumn of 1932. It will be recalled that Houlens was arrested on June 15, 1931, and that Morison arrived in Shanghai on January 18, 1932.

Following his acquittal on June 26, 1932, Morison put aside the matter of the "revelations" and paid his full attention to the business side of the affair. According to his own statement, he sent about the middle of July, through his legal adviser, a letter to the manager of the Centrosjue, which contained a demand to return him the sum of \$11,400 and \$700-0-0, which, he alleged, had been unlawfully taken away from his house by certain employees of the Centrosjue during his absence to Hankow. In addition, a compensation for bringing

a false accusation against him was also demanded, the total sum amounting to about \$70,000.

A period of correspondence and negotiations between the legal advisers of the parties concerned ensued, which terminated some time during the earlier part of August with the refusal on the part of the manager of the Centrosojus to comply with Morison's demand. The latter then instituted private criminal proceedings at the Shanghai Special District Court against N.N. Markoff and five other employees of the Centrosojus: I.N. Babitch, A.Z. Yakimenko, N.A. Samagin, N. Krassovsky, Mrs E. Rykoff and Mrs A.G. Moiseoff, the charges being false accusation, illegal detention and robbery.

On August 21 Morison's letter to the Editors of local Russian newspapers was published in which he ridiculed Markoff's statement to the press on the subject of the activities of the Centrosojus. The letter (Appendix "C") also contained a series of allegations of a very serious nature regarding the subversive political activities of employees of the local branch of the Centrosojus. With the exception of a statement to the Chinese press made by Markoff on September 2, in which he denied the allegations regarding the political activities of the Centrosojus, no action was taken by that concern against Morison in connection with the matter.

The case against the employees of the Centrosojus came up for hearing in the Shanghai Special District Court on September 7, was continued on September 18 and October 23 and was concluded on October 25, when all accused were acquitted. At the same time a counter charge of false accusation filed by the accused against Morison was also dismissed.

According to our information Morison during the period from September 7 to October 25 made two statements (Appendices "D" and "E") to the Chinese Military Authorities on the subject of the political activities of the Soviet Government institutions in China.

This he did in order to ensure what he termed "an impartial trial" of his case against the Centrosojus, as he was under the impression that certain Chinese officials had fallen under the influence of that concern.

Another item of interest relating to the same period is the incident which occurred shortly after midnight of October 19-20, when some mysterious person, alleged to be a Russian, penetrated into the room occupied by the Morison couple at No.362 Avenue du Roi Albert. On being discovered the intruder made good his escape, several revolver shots fired at him by Morison having missed their target. According to Morison, it was an attempt on the part of the local Soviet agents either to assassinate him or to steal certain documents compromising the Centrosojus.

Morison filed an appeal against the judgment of the Shanghai Special District Court above referred to. The hearing of the appeal commenced in the Second Branch Kiangsu High Court on November 27 and was continued on December 8, after which it was for various reasons adjourned for indefinite periods on several occasions. It was during this period that information was received indicating the existence of secret negotiations between Morison and representatives of the Centrosojus with a view to the settling of the matter outside the court. Apparently, these negotiations resulted in an agreement having been reached and, consequently, Morison withdrew his appeal.

Although no details of this agreement are available, it is understood that on the condition that Morison would withdraw his appeal and abstain from creating further trouble to the Centrosojus, he was promised to be paid a certain sum.

There are good reasons to believe that Morison's decision to sever his connections with the Centrosojus was an outcome of a series of quarrels between him and his former colleagues over money "earned" by them on certain business

transactions. There also seems to be very little room for doubt that throughout the whole period of his controversies with the Centrosojus Morison has been guided exclusively by motives of personal interest, which have nothing to do with his alleged disillusionment in the Communist doctrine.

As it was already mentioned, Morison at various times during the period from June 15 to October 20, 1933 made altogether five statements:- two to the Municipal Police, one to the press and two to the Chinese Military Authorities. The statement to the press (Appendix "C") is, perhaps, of more interest than the remaining four, insofar as it includes the main points contained in his other statements and also because it may be assumed that while openly making serious allegations regarding the subversive political activities of the employees of the local branch of the Centrosojus, Morison was prepared to take full responsibility for his words.

These allegations are, briefly, as follows :-

- 1.- The firm "Centrosojus, Ltd." is only a mask under which communist party disguises its activities. The majority of the employees of the local branch of the Centrosojus were appointed by the Bureau of Foreign Communist Cells, Moscow, directly subordinated to the Central Committee of the Communist Party. They are selected from among trusted members of the Communist Party, the commercial qualifications being of no importance. In addition to their legitimate occupation the majority of the employees of the Centrosojus are engaged in secret political work in China on behalf of the communist party.
- 2.- Centrosojus supplied funds to the Chinese Red Armies in 1933.
- 3.- Plans for "removal" (assassination) of Mr. Wang Ching Wei and Mr. A.T. Belchenko (former Russian Consul in Hankow) were in preparation under instructions from Markoff and Babitch in 1932-1933.

4.- Communist literature in Chinese was brought in Shanghai from the U.S.S.R. in the Soviet steamer "Nevastroy" in April 1933.

It is very significant that no action was taken against Morison by representatives of the Centrosojus in connection with the above allegations.

Mrs Morison's statement to the press (Appendix "B") is also not without interest as it describes the inner life of the local Soviet "ghetto" in 1932-1933, where mutual fear, suspicion and espionage prevailed and the possibility was abhorred to be ordered to return into the Soviet paradise.

APPENDIX \* \*

Translation of V.A. Morison's first statement to the Chinese Military Authorities.

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Resolution of the Plenary Session of the Central Committee of the Russian Communist Party, held in December 1932 - January 1933, on reports of Comrades Manuilsky and Blüher on the Chinese question.  
(Resolution was subsequently approved by the Politbureau).

"The Chinese Section of the Comintern should pay special attention to the directing of activities of the Chinese Red Armies and to the rendering material and financial aid to them, especially to the strengthening of the Chinese Red Armies by providing them with a new and reliable commanding staff and political instructors. At the same time a series of reforms should be carried out in the Soviet Districts of China with the aim of improving the living conditions of the proletarian and toiling elements. This will not only strengthen the ideas underlying the existence of the Soviet Districts, but also will facilitate the spreading of these ideas in non-Soviet districts, mainly in the direction towards the industrial regions of China.

The realisation of this aim is necessary for the increase of the strength of the Chinese Red Armies - the future reserves in the struggle against the aggressive plans of Japan, with her imperialist tendencies of expansion in China and of provoking an armed conflict with the U.S.S.R. This means that at the present stage of Japan's aggressive policy the Chinese Red Armies must not only exercise their influence in China, but also must defend the U.S.S.R. In the event of an armed conflict between Japan and U.S.S.R. the Chinese Red Armies should be ready to be transferred into the rear of the Japanese zone of military occupation in China.

In view of the above the Plenary Session of the Central Committee decided :-

A.- To call from the Chinese Red Armies certain agents of the Comintern whose work has proved to be unsatisfactory; to delegate new, carefully selected workers having good experience in military and political affairs.

The Comintern is of the opinion that notwithstanding the present conflict between the two countries, Japan and China, both being Asiatic countries, will eventually come to some agreement. Only the existence of strong Chinese Red Armies can prevent such agreement and the possibility of China siding with Japan in the event of an armed conflict between that country and the U.S.S.R. The success of the Red Movement in China will also stimulate the revolutionary movement in all countries of the Far East.

- B.- In view of the present Sino-Japanese conflict, in which China is the loser, slogans of the national defence against the Japanese aggression should be temporarily adopted in the Chinese Red Armies, and at the same time the struggle against the Nanking Government as betraying the national cause, should be intensified.
- C.- To select the best students of the Oriental Institute and to send them to the military schools for training, after which they will be sent to the Soviet Districts of China. This task to be carried out by Comrade Blucher.
- D.- To appoint 45 reliable members of the communist party who have experience in the guerilla warfare: 20 from the Moscow Military Academy and 25 capable and reliable workers from the Special Department (Military Gendarmerie). Within the period of 8 months these men have to receive training and be organized in one group, following which they will be secretly transferred to the Soviet and non-Soviet districts of China. In addition, 6 military experts selected on Comrade Blucher's recommendation will be despatched to China.
- E.- To make Comrade Blucher responsible for the supply of arms and ammunition to the Chinese Red Armies. The arms supplied should be of non-Russian make. At the same time our Military Intelligence Service should investigate the



possibility of supplying to the Chinese Red Armies arms of Russian make by agents of Japan and other foreign countries.  
P.- The maximum of the credits required for 1933 to be fixed by Comrades Bluhner and Grinko."

In connection with paragraph "B" of the above resolution the following may be mentioned :-

Towards the end of April 1933 handbills purporting to have emanated from the "Association of Comrades in the North East" were brought from Habarovsk not only into the Soviet Districts of China but also to Tientsin and other districts. These handbills were entitled "Traitors of the National China in the Nanking Government" and a summary of their contents is as follows :-

- (a) Chiang Kai Shek, the leader of the Nationalist Government, raided and plundered North China, killing defenceless workers and peasants sympathising with the U.S.S.R. Directed by Japan, he instigated Mukden to the conflict with the U.S.S.R. in 1929. He was not satisfied with the defeat of Mukden, but continued to assist the Japanese invasion of China. During the recent Sino-Japanese conflict in Manchuria he adopted the policy of non-interference in Manchurian affairs, thus supporting Japan. After the loss of the Three Eastern Provinces 350,000 of Mukden troops were available, but he continued his policy of non-resistance thus assisting Japan in the seizure of the Chinese territory.
- (b) Chiang sent General Dai Hsia (?) to Japan in order to tell the Japanese that they could go ahead with the occupation of the Chinese territory; that in order to divert the attention of the people from the Japanese action, he would organize a front against the Reds. All this proves that he is a traitor.
- (c) If Chiang is not exterminated, this territory will not be recovered and Japan will seize the whole of China. He must

rise against the Nanking traitors and against Japan and punish the traitors with death.

The above mentioned handbills were brought to Shanghai and Tientsin in a Norwegian boat chartered by the U.S.S.R. and also in goods imported via Mongolia.

Simultaneously, an intensive work is being carried out in the Chinese Red Armies under the direction of a number of political instructors who arrived from the U.S.S.R.

In connection with paragraph "C" it is of interest to note that the institutions for training of commanding and political staff for the Chinese Red Armies include :-

- (a) Institute for Oriental Peoples, Moscow.
- (b) Parimonov's Eastern Institute, Moscow.
- (c) Central Committee of the Communist Party's School for Training Secretaries, Moscow. Prepares secretaries for communist cells in the Chinese Red Armies and Soviet Districts of China.
- (d) Special Chinese Section for training of highly qualified workers for the Chinese Communist Party. Attached to the Institute of the Red Professional Unions.

The yearly "output" from these and other schools is about 400 men. About 65% of the Chinese students are then sent to various military schools (infantry, cavalry, artillery, etc) for training, after which they are despatched to China through the Bureau of Foreign Cells of the Central Committee. Chinese students receiving training in the schools of the C.P.U. proceed to China independently through the organizations of the Foreign Service.

Apart from the above mentioned schools there are several more in Khabarovsk, Khabarovsk and Vladivostok. About 350 students received training in the agitation and propaganda work at these schools during 1935, after which they were smuggled into Manchuria.

### The Morrison Case

To the Editor.

As one amongst those present yesterday at the trial of Morrison (a Russian), accused by his former firm Centrosevous of appropriating \$25,000.00, I was perplexed by one detail.

How and why should it be that this purely Soviet firm bearing a Russian name, with a whole Soviet staff, acting under directions and instructions from Moscow, is registered as a British firm with its head office stated in London?

Morrison, who previously changed his Soviet's passport for a Russian Emigrant's passport, himself surrendered to the police after the charge was brought up against him. He affirmed that the charge was a frame up as political vengeance resulting from his refusal to proceed to Moscow, where he was recalled, and where, he felt sure, his life would have been in danger.

The representatives of this "British" firm blundered in the court, giving contradictory testimony, so that at last they were reminded by the judge that they had to speak the truth or otherwise they would be prosecuted themselves for giving false testimony.

It seems that the Britishers had ample opportunity to realize for themselves the 'trick' and methods of the Soviet's so-called "Commercial" firms, in which politics is not only interwoven with commerce, but predominates it. One has only to remember the grotesque tale of British Engineers in Moscow and the scandal around the "Compass" Army House in London, which proved to be a

purely political (Communist) organization.

And after such a wonder 'trick' after such exposure, the Soviets are permitted to work under British cover and protection.

In the interest of our city and the British bank community is it not a case for them to look into?

ANOTHER OBSERVER.

Shanghai, June 28, 1933.

File  
JUL 1933

Memorandum.

POLICE FORCE.  
MUNICIPAL COUNCIL.

Shanghai, 16. 8. 1933  
Reg.

Please file  
for them.

SBH 16/8.

Memorandum.

POLICE FORCE.  
MUNICIPAL COUNCIL.

Shanghai, July 11, 1933.  
To Officer i/c Special Branch

Sir,

Herewith the copy of  
French translation desired.

28/7/33

D.S.

*B. Jones*

*De (bri...*

*and father...*  
*File*

JUL 11 1933

JUL 11 1933

Extract from French Intelligence Report (Part 2) of July 11, 33

*See also  
p. 10?*

Continuing the information given in our report of July 6, p.2, para.5 respecting Leon Manevitch, we learn that this individual is one of the higher grade employees of Vnechtern (U.S.S.R. Foreign Commerce) and former direct superior of V.S. Morrison, ex-employee of Centrosojus, object of our recent reports. Morrison is understood to have been under the protection of Manevitch, at whose recommendation he was sent to China. It is understood that he is being held responsible for Morrison's default and that the real reason for his voyage to China is to attempt to persuade Morrison to return to the U.S.S.R. in order to clear himself.

-----

*Mr. Yoo, please prepare a paraphrase of  
this note heard from Burton.*

*[Signature]*

JUL 11 1933

*Don't copy into U.S.B.*

*[Signature]  
6/7/33*

July 12, 1933.

It has been learned from the Police Authorities of the French Concession that one Leon Manevitch, an official of the Vneshtorg (U.S.S.R. Foreign Commerce) has arrived in Shanghai from Moscow. It is reported that Manevitch was formerly the immediate superior of V.B. Harrison, ex-employee of the Contrecoeur who was recently charged with embezzlement and acquitted, and was responsible for the recommendation which resulted in Harrison being sent to China. It is believed Manevitch has come to Shanghai to persuade Harrison to return to U.S.S.R. in order to clear himself, as Manevitch will be held responsible if Harrison acts otherwise.

## SHANGHAI MUNICIPAL POLICE.

File No. 1. REGISTRY.

SECTION D. 5074

## REPORT

Date August 21, 1933

Subject (in full) V.A. Morison's letter to Editors of local Russian newspapers

Made by D.S. Prokof'ev

Forwarded by

S. S. S.

I forward herewith a translation of letter addressed by V.A. Morison, former employee of the Centrosojus, to the editors of the local Russian newspapers "Shanghai Zaria", "Slovo" and "Kopeika" which appeared in to-day's issues of these newspapers. According to our information copies of the letter in question have been sent by V.A. Morison to the editors of all leading newspapers in Shanghai published in the English, French, Chinese and Japanese languages.

G. Prokof'ev

D.S.

Copy sent to Mr. Klepina

HR

21.8.33

Copies also to Messrs. Kikina and Sakaki (Jap. Cons)

21.8.33  
22/8/33

Officer i/c Special Branch.

D.C. (Crime)

Information

The Robertson

A. H. S. R.

S. S. S.

24 AUG 1933



Sir,

Local newspapers have recently published interview with Mr. Markoff concerning "the great commission organisation functioning quietly, efficiently in promoting the exchange of products between China and Russia, Messers Centrosoyus", of which Mr. Markoff is local manager. ("Centrosoyus" means : Central Union of the Russian Co-operative Societies"). Mr. Markoff further says about "a beneficial work, which is being accomplished by "Messers Centrosoyus" to Great Britain and China.

I should be much obliged if you will kindly permit me, through the columns of your esteemed paper, to rectify, on the one hand, numerous misleading statements contained in the above interview and, on the other, to give your readers some facts, which may throw quite a different light on the activities of this institution in China and elsewhere, the facts which Mr. Markoff is anxious to keep under silence. To this I may add that I am in a position to have an intimate knowledge about the management of this company as only recently I have been member of its staff and director of one of its departments.

"From its inception the aim of Centrosoyus, according to Mr. Markoff, was the promotion of trade. The firm represents on a purely commission basis the Russian trusts of the Soviet Government". Purely commission concern, quite clear. Russian trusts send goods. Centrosoyus sells them, draws commission, and that is all. Centrosoyus, if only to believe Mr. Markoff, has nothing to do with Soviet Government political aims or activities. The main object of the Shanghai Branch continued Markoff, is "furtherance of trade and the strengthening of commercial ties between the USSR and China".

Then Mr. Markoff gives what he thinks is undeniable proof that their endeavours in that direction were crowned with a success.

This success the representative of the Russian Cooperative Societies sees in the fact that "the trade balance between China and Soviet Russia, two of the largest consumer countries in the world, has been for the last decade much in favour of.....China". Of course Mr. Markoff is at liberty to see Russian profit there, where other persons, not proletarian minded, would find a loss; it is a matter of opinion, so I would have no objections to this, provided his conclusion were based on the facts. But it is here that I am going to have a quarrel with Mr. Markoff. In order to give some idea of the amount of the favourable balance for China, Markoff sets forth a table showing an excess of Chinese export over import for the last five years (1928-1932). This table, which would make Cheshire eat laugh, is characteristic of the psychology of the soviet people and utmost contempt with which they treat public reading newspapers. The returns shown by Markoff were, according to his statement, taken from the "Chinese Economic Journal". I do not know whether the above journal has ever published such returns, or where they were taken from. But the main point is not there. Why it is that Markoff looks into Chinese Journal for the information, which contains in the files of his own office? Would it not be far more convenient, and convincing too, to publish his own accounts, duly audited by chartered accountants (is not it British firm)? I will answer this question: because the files would say quite a different story from that told by Markoff. I am in a position, as former manager of one of the Sino-Russian departments, to state that not only there was no favourable balance for China, but, on the contrary, soviet import into China is a real dumping, hundred times exceeding the export from this country.

Let us examine the soviet trade plan with China for the current year, which is on the way of realization. It was planned by soviet government to import into China:

Timber	for Russ. \$	11,000,000
Cotton goods	" "	4,000,000
Chemicals, construction materials, cement, glass, etc.	" "	5,000,000
Fish	" "	3,000,000
Furs, medicine, wines, fruits etc.	" "	2,000,000

This is import. Export of 600,000,000 from China (the only item of export)

(from this country) according to Markoff's statement, has dropped to 3,187,840 for 1932. Returns of 1933 are even below this figure for 33%. Then where is the balance favourable for China? How serious is soviet dumping in China may be judged by the fact that Chinese Government Production Association has recently sent, through Chinese Ambassador in Moscow, a protest against soviet dumping, menacing their trade and which would force them to close their business.

"Messrs Centrosoyuz" is a British firm and probably that is why they are trying to undermine <sup>at</sup> British firm Brunner and Mond by systematically lowering prices for Caustic Soda and Ash Soda, imported by this firm. It was even planned first to kill, with the assistance of Brunner and Mond, Chinese soda manufacture at Tientsin and then undermine Brunner and Mond. This plan was worked out by Markoff and Hatcher and in its realization I should have participated.

However the importance of the interview, granted by Markoff, lies not in the commercial activities of his office only, but points are being stressed by Markoff: that Centrosoyuz is a British firm, on the one hand, and that it is "purely commercial organization having no political function or aims whatsoever".

Yes, Centrosoyuz was incorporated in London under the English Companies Trade Act. Therefore in spite of the fact that it is constantly kept in mind by the Soviet administration in its various activities, responsible for the maintenance of the company protected by them. As to the "purely commercial" character, this I will state emphatically later. In order to prove the contrary allow me to remind Markoff certain facts, well known both to him and to me.

1) All members of Centrosoyuz staff in Shanghai are being selected and appointed by Moscow. Shanghai Branch operates exclusively for Tientsin and Shantung branches on the recommendation of Moscow and with the approval of the Bureau of Foreign Commercial Affairs (subordinated to C.C. of the Communist Party) and of Foreign Relations Section. Qualifications, to which every candidate should possess, are: must have a knowledge of the conditions of Trade in China, of

commercial training, or knowledge of things Chinese, as one could reasonably expect. No, every candidate should previously distinguish himself in other soviet administrative departments, having nothing to do with commerce, mostly as members or G.P.U. or by having participated in punitive expeditions. Commercial qualifications are of secondary importance, or rather of no importance at all. It this way were appointed you, Mr. Markoff, Babitch, Yakimenko, Mikhailoff, Zanequin, Serequin, Mrs. Moiseeva, Kozloff, Mefanoff, Tselykhoff and others. I should be glad also to refresh in Markoff's memory respective qualifications of the above "commercial" agents:

a) I.N. Babitch is member of the Communist Party since 1918. From 1919 to 1925 he served in different sections of Chka and G.P.U. From 1925 to 1930 Babitch was attached to Foreign Espionage Section of the commissariat of foreign affairs. Probably Babitch can tell you, Mr. Markoff how many Chinese residents in Moscow and other places were arrested by Babitch and ordered by him to be shot during the period of Sino-Soviet conflict of 1928, if he had only kept record of them? Anyway there is no doubt it is only owing to these qualifications and particularly his expert knowledge how to fabricate forged passports and signatures that he was appointed assistant manager of the Shanghai Branch of Contrecoeur.

b) N.F. Mikhailoff was investigator and night commandant of G.P.U. Later on he directed espionage section in Asia, is member of the communist party. In Shanghai he is disguised as cotton goods expert.

c) Zanequin distinguished himself by suppressing counter revolution in Yunnan-Yunnan region, disguised also as cotton goods specialist.

d) Yakimenko, organizer of communist youths in Petrograd, served in a Special Branch of G.P.U. In Shanghai is disguised as expert in timber trade. In order to make Shanghai business people believe in his knowledge of timber trade, the soviet government supplied him with a document, signed by Director of Forest Institute in Moscow, certifying that Yakimenko was graduated by that Institute. Yakimenko told me once, that if necessary, he can have a certificate of engineer constructor, or that of mechanic. "With such a timber expert one can easily sell all

Siberian forests for \$ 250" once said about him Berekreff, manager of the Lumber Department.

e) Kosloff was graduated by Moscow Oriental Communistic Institute. Shortly after his arrival in Shanghai Centrosyus was benefited by special Economic Bureau.

The same may be said about other members of Centrosyus staff. They were sent here not to carry on honest trade, but to do secret political and spying work, of which they are experts.

Now a few words about Markoff's contention that Centrosyus is "purely commercial concern and is not engaged in politics."

1) Could not Mr. Markoff tell us something about the special mission of comrade Mikhailoff when he early in April last went to Tientsin, carrying with him U.S\$5,000? Were not these money destined to two Chinese gentlemen who were waiting for him? If Markoff forgot it then I would call to his mind that Mikhailoff, on his return from Tientsin, made detailed report about that mission to a special committee ("fighting team of three") consisting of him, Kaganovich and me. It was to the effect that the Chinese anti-Jap is successfully advancing and that Jap was to be taken shortly.

2) Could not Markoff inform us, what was the real object of the voyage to Moscow, at the end of March last, made by myself? If he has a short memory, that I will remind him was it not to make out some plan for the "removal" of Mr. Kishinev, if he refuses to cooperate with Soviet government? Surely "commercial" enterprise was not it?

3) Then Mr. Markoff must remember, or I shall be obliged to add that he is a man of exceptionally short memory, the even that he and Rabitch reprimanded me for my refusal to organize the "expedition" to translate this soviet jargon into a common language - to assassinate Mr. Wang Ching Wei, the chairman of the Chinese government, who is being regarded as strongest opponent to sovietism. Rabitch put it worse than General Chiang Kai Shek himself, and what kind of reports were sent about me for not having accepted this order?

4) What preparations have been made by Babitch for the "removal" of Greenfield, if he refuses to return to Soviet Russia? Markoff was well informed about these preparations after his return from Russia, preparations, which, by the way, have been worked out in cooperation with the legal adviser of this "purely commercial" enterprise.

5) Does Markoff remember one nice cool evening in the second part of April last, when we, that is Markoff, Zamaguin and I, made a trip to soviet steamer "Nevestray" where we have examined communist literature, brought by this steamer. Part of this "purely commercial cargo" contained communist tracts in Chinese language; the other part was to be sent to Cuba ( Oh, yes, the same Cuba.....). The steamer, beside communist literature, brought to this port 4,500 tons of cement and several thousand boxes of glass.

I could cite more facts about subversive activities of the commercial enterprise directed by Markoff. As a reply to his interview it is enough. Later on, I hope, I shall be able to give more detailed outline of the activities of "Messrs. Contraband Ltd." in China. -

**Memorandum.**

POLICE FORCE.  
MUNICIPAL COUNCIL

*Shanghai, 1937*

102

*To*

...and herewith a trans-  
lation of the leading article entitled  
"MASKS OFF" which appeared in the  
"KORAIKA" of August 20, 1933 com-  
menting on Morison's statement to the  
press.

G. Prokofiev

D.D.

Spare copies are available  
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*Dr. S.B. 24/8*  
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Translation of the leading article entitled "MASKS Off!" which appeared in the "KOPEIKA" of August 21, 1933.

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Revelations contained in Morison's statement have dealt a crushing blow to Red activities in China. Morison's statement, every word of which, we presume, he can prove at any time, has torn the mask off the Centrosojus which, according to him, is the citadel of communist propaganda and espionage.

By reading his letter with attention we gradually become acquainted with the true nature of the Soviet "Commercial" establishments and begin to understand why the Comintern has succeeded in extending its tentacles over the whole world.

Practically the whole apparatus of the U.S.S.R. foreign representation is directed towards the object of setting the whole world ablaze. We had known this before Morison published his statement but only now has this knowledge taken a concrete form locally.

Members of the staff of the Centrosojus, "a British commission institution", are appointed by C.P.U., Rawden and C.P.R. - i.e. by the centre of political intelligence, the centre of espionage and the party fostering the world revolution respectively.

Naturally, the principles in accordance with which members of the staff are selected are of a constant special character: persons who received special training in conducting subversive work fill the posts of employees of a commercial institution.

In his letter Morison gives the details of the records of service of his former colleagues. They are all marked with blood, treachery and wound of the "music of the Chaka whips".

According to Morison the employees of the



Centrosjusz are trusted communist workers who have proved their loyalty to the Soviet power by having committed a series of crimes.

The Soviet government supplies with great care China as well as far distant Cuba with propaganda matter, preparing unexpected blows, fostering hatred and fratricidal war.

The value of the statement in question is increased in view of the fact that the blow it deals is very timely. The whole activity of the Red underworld has been denounced at the time when, in connection with the staging of the Anti-Imperialist Conference, Red Moscow expects maximum of energy and efforts on the part of its agents.

To-day the Comintern has suffered a serious defeat.

Regarding the Centrosjusz itself we must admit the masterly work of the bolsheviks in camouflaging their subversive activities. The true nature of the institutions above referred to is hidden behind several covers. First you see a solid British firm dealing in Soviet goods on a commission basis; then the firm becomes a Soviet owned one, all members of the staff being appointed from Moscow and not from London; only by removing this latter cover we understand the true nature of this organization, which, Morison asserts, is not a commercial, not even a political institution, but a branch of the Comintern functioning under the British flag in the territory of the International Settlement.

It is the task of the Russian emigrants to utilize fully all the material contained in Morison's statement, in order to know their enemy, as only the full knowledge of one's enemy secures victory over him.

However, revelations made by Morison, are not a purely Russian emigrants affair. Foreigners are affected in an equal degree. The statement is a sinister warning to them.

Look : there, among yourselves, under the protection of your laws and privileges and by utilising them against you, a work has been conducted for the past ten years directed towards the undermining of your own prosperity, honour and life.

With a devilish cunning, shamelessness and cynicism the agents of the Comintern are working against the whole world preparing a most terrible disaster - the Bolshevik world revolution.

Morison's letter is an indictment of the agents of the Cominter in China. It is not a hint only or a half-truth. Nets are placed over all "i's". Masks have been torn off. The curtain behind which the communist kitchen was hidden, has been raised. It only remains to draw the corresponding conclusion and to act ! This is equally true in respect of both the Russian emigrants and the foreign community.



C O P Y.

SECRET
C. S. S. R. G.
No. D

EXTRACTS FROM FRENCH POLICE INTELLIGENCE REPORT.

October 20, 1933.

Financial and Material Support for Chinese Red Armies.

The following is a translation of the second report submitted by V.A. Morrison, a former employee of the local Branch of Centrosojus, to the Chinese Military authorities:-

In compliance with a decision of the Bureau of Finance of the Central Committee of the Communist Party of the U.S.S.R. made on October 26, 1931 on the subject of work in foreign countries, all funds for the support of communist organizations in countries of the Far East (China, Japan and Korea) are to be transferred, not by certain trustworthy firms as had been done hitherto, but direct to the representatives of the Chinese communist organizations.

This new system has been applied to China since the end of 1932. The great lapse of time between the date of the decision of the Central Committee of the Communist Party of the U.S.S.R. and the date of its enforcement is due to the fact that the Chinese communist organizations, such as the Chinese Communist Party in the sovietized regions have not been able to nominate, within the time designated, the representatives to whom more or less large sums of money might be entrusted. The delay in the selection of representatives by the Chinese communist organizations was due to the fact that the decision of the Bureau of Finance of the Central Committee of the Communist Party of the U.S.S.R. stipulates that all responsibility for the remittance of funds to their destination shall fall directly on the secretary-general of the Chinese Communist Party. This condition is being insisted upon owing to the fact that a certain sum of money destined for the Japanese Communist Party and which was to have been remitted by a trustworthy person---a Japanese--- had been

misappropriated by the man who later sought refuge in the Philippine Islands.

Early in the month of April, a sum made up of gold \$33,000, Mex. \$45,000 and Yen 25,000 was remitted to the Chinese Communist Party through the intermediary of N.F. Mikhailoff, a representative of Centrosojus. The largest portion of this money was destined for the "red" regions in China. N.F. Mikhailoff proceeded to Tientsin early in April for this purpose. The official object of his journey was to attend to the sale of a stock of U.S.S.R. cotton thread. Shortly before the voyage of Mikhailoff to Tientsin, a person named Seraguine, manager of the Tientsin branch of Centrosojus, arrived in Shanghai (February, 1933) to inform him that the representatives of the Chinese soviet regions were expected at Tientsin early in April. Another person named Sanaguine, an employee of the local branch of Centrosojus, was sent to Tientsin early in April to secure information from the Chinese about the amount they required. The object of his journey was at that time stated to be the sale of U.S.S.R. textile products.

Upon his arrival in Shanghai, Seraguine, stated that an interview could be arranged with the representatives of the Chinese Communist Party at Tientsin in the premises of the Chihli Trading Co., a firm which is working for the sale of U.S.S.R. textile products, but after the journey to Tientsin, it was found that an interview could be held only at the office of the branch of Centrosojus. It was at this place where Mikhailoff actually met the Chinese communists in question and handed to them the amounts indicated above. It is to be noted that in addition to the sums remitted to the representatives of the Chinese Communist Party by Mikhailoff, Sanaguine also handed to them a sum of Mex. \$35,000.

75% of the amounts handed to the Chinese by Saneguine as well as by Mikhailoff consisted of forged banknotes of the Bank of Communications. These banknotes had been imported into Shanghai on board a soviet steamer which arrived in Shanghai with a cargo of U.S.S.R. petroleum in February, 1933.

It seems that Mikhailoff did not hand the full amount of gold \$38,000 to the representative of the Chinese Communist Party because he did not want to arouse suspicion through the appearance of such a large amount of American dollars in the soviet regions. About gold \$15,000 (all counterfeit) were taken back to Shanghai by Mikhailoff and handed to the deputy manager of the local branch of the Dalbanque in the name of Tsaloohoff (Tsouloukhoff). This last named is the special agent for the distribution of money destined for secret work in China. In 1932, this man made a voyage to Moscow to formulate a plan for the distribution of secret funds for the year 1933.

At about the same time, money was remitted to the Central Committee of the Shanghai Branch of the Chinese Communist Party. This took place not long after the arrival in Shanghai of Waldmann, representative of the Vnachtorg (foreign commerce of the U.S.S.R.) This person was formerly a procurator of Moscow who is at present directing, for the time being, the Japanese and Korean Sections of the Central Committee of the Communist Party of the U.S.S.R.

A conference, for this purpose, was held with a representative of the local Branch of the Chinese Communist Party (in March, 1933) in house No.47 Rue Amiral Courbert. At this conference, were present M. Markoff, manager of the local Branch of Centrosojus, Morrison (who was, at this time, manager of the Chemical Department of this establishment),

Tzaloochhoff (Dalbanque) and a person named Dunn, the representative of the Central Committee of the Chinese Communist Party, Waldmann gave Dunn certain instructions on the policy to be followed by the Chinese Communist Party as a result of the Sino Japanese conflict and in view of the possibility of a conflict between the U.S.S.R. and Japan. Waldmann added that he would proceed to Tientsin to issue instructions.

At the close of the meeting, Tzaloochhoff, on the orders of Waldmann, handed Dunn a sum of Mex. \$12,000 and Yen 15,000. The official reason for this meeting was given out as the opening of negotiations for the sale of the products of the Soyusneft.

After the return of Waldmann to Tientsin, he had another meeting with Markoff, Tzaloochhoff, Morrison and a Chinese named Kai Ho who works in the economics department of the local branch of Centrosojus and who speaks Russian. (This Chinese is short and thin and looks like a Japanese ). Little was discussed at this meeting; it was simply pointed out that the work done at Tientsin was insufficient. There was a shortage of funds and large sums were required for the intensification of the propaganda in this city. Waldmann promised to bring forward this question upon his return to Moscow.

At the close of the meeting, everybody left the house except Waldmann who had a private conversation with the Chinese Kai Ho.

## TRIAL OF V. A. MORRISON

### Court Finds Russian Not Guilty

### SENSATIONAL CHARGE BY ACCUSED'S WIFE

At a lengthy hearing featured by testimony by three witnesses for the complainant firm and several witnesses for the defence, V. A. Morrison, 37-year-old Russian who was until recently chief of the chemical department of the Centrosolus (Soviet Trading Co.), 2 Peking Road, and who was charged with misappropriating \$25,000 belonging to his employers, was acquitted by Judge Chuen in the First Special District Court yesterday morning. The police, represented by Mr. Paul Y. Ru, Assistant Municipal Advocate, reserved the right to file an appeal against the Court's decision. During the period of appeal, Morrison will be released on bail.

At the outset of the hearing, Mr. Ru told the Court that a further charge of forgery was preferred by police against the accused. Counsel said that the Centrosolus received a cargo of sulphate of soda from abroad and it was stored with G. E. Marden & Co. At the end of April, the accused told Mr. Markoff, manager of the Centrosolus, that he had a buyer. Mr. Markoff then signed transferring the cargo to accused. The accused sold the cargo to a Chinese firm at 1634 Canton Road, and went to Hankow with the proceeds of the sale after issuing a receipt bearing his own signature as well as that of Zanegin, an accountant of the Centrosolus. Zanegin, however, denied having signed this receipt. The accused later surrendered to the police.

#### Admittance Refused

Accused, questioned by the Court, said that he gave the proceeds of the sale to Markoff in the latter's office and that, when he was in Markoff's office, Kraasovsky, the chief accountant, knocked at the door, but was refused admittance by Markoff.

The Court then questioned Markoff in regard to the bills which he had signed, authorising the accused to take out the cargo from godowns. Markoff declared he did not know until recently that the cargo had been sold by accused to the Chinese firm nor did he receive any money from the accused for the sale.

Questioned by the Judge why he had signed four bills authorising the accused to take the whole of the cargo from the godowns if he had no knowledge about the sale, Markoff stated the accused had told him that the would-be purchasers would like to see samples of the goods. Therefore he signed the bills.

#### Bodyguard as Witness

Zee Ke-ming, of the Chinese firm at 1634 Canton Road, and Zee's bodyguard were then called to the witness' box. Zee told the Court that, after successful negotiations regarding the purchase of the sulphate of soda, he took the money to the Centrosolus' office on May 17, but did not hand over the money that day owing to the fact that certain arrangements had not been completed. The payment of the purchase price was made to the accused on May 17.

Zee Ke-ming's bodyguard stated that on May 17, he accompanied the accused from Mr. Zee's firm to a native bank where the accused obtained the money for the sale of the sulphate of soda. The witness then said that he again accompanied, in a motor car, the accused to the Centrosolus' office and saw the accused enter a lift with the banknotes.

The accused declared he was not guilty, that he had paid the money to Markoff, and that he left for Hankow because he was afraid he would be sent back to the Soviet Russia for political reasons.

After the Court had delivered its judgment, a mild sensation was created in the court-room by the accused's wife who called Markoff, the manager of the Centrosolus, a number of bad names and shouted in Russian: "You beat me and try to make my husband a criminal." She also chased Markoff as the latter left the court-room, but was stopped by the court-guard.

Dr. F. Wilhelm and Mr. J. E. Bodeley watched the case for the Centrosolus.

THE NORTH-CHINA DAILY NEWS, SATURDAY, JULY 1, 1933

THE MORRISON CASE

British Registration

To the Editor of the

"NORTH-CHINA DAILY NEWS"

Sir,—I venture to inquire whether the British authorities who have registered Comintern as a British company realize the implications of certain revelations in the case before a Chinese Court here this week. It seems obvious that political activities are very much to the fore in the minds of the controllers of this company. They are all Soviet subjects and the only British quality appears to be in the registration. Is this palatable to Britain?

Yours truly,

Shanghai, June 30, 1933.

*W.P.*



COPY

August 30, 1933.

Afternoon Transmitted

SHANGHAI MUNICIPAL POLICE  
C & S. M. REGISTRY

N. D. 5024

Date 30/8/33

POLITICAL

The Shun Pao:-

POLITICAL INTRIGUES OF A SOVIET COMMERCIAL ORGANIZATION  
DISCLOSED BY EX-EMPLOYEE

According to the Sing Seng News Agency, "Ma Li Son", an ex-employee of the Soviet Russia Co-operative Company, No. 2 Peking Road, who mysteriously disappeared about a month ago, has returned to Shanghai and surrendered himself to the Shanghai First Special District Court. His disappearance was the outcome of some political disputes. He has disclosed the fact that the Soviet-Russia Co-operative Company is not a commercial body but had been established for secret political activities.

"Ma Li Son" recently sent the following letter to various newspaper offices refuting the report published in a certain local foreign newspaper regarding the conversation of "Mokoff" (79, Chairman of the Soviet Co-operative Company):-

"In one part of the statement made by 'Mokoff', he said 'The Soviet Russia Co-operative Company is the central federation of the Russian Production and Consumption Mutual Aid Society. The work of this Co-operative Company is beneficial to Great Britain as well as to China'. There are many errors in his statement. I can prove that this Co-operative Company has conducted many secret activities in China and other places because not long ago, I was in charge of the Import and Export Department of this Co-operative Company.

"According to 'Mokoff', the object of the Company is to promote trade between China and Russia; and that the Company is a Soviet Trust Organization, that for the past ten years, the trade between China and Russia has been in favour of China. 'Mokoff' supports this statement by citing a report of the China Economic Magazine which says that the export of Chinese goods to Russia exceeded the import of Russian goods into China during the period 1923 - 1928. This is a most ridiculous statement. I would like to ask 'Mokoff' where he had obtained this magazine and why had he not published these figures of Sino-Russian trade in his record of the work of his Co-operative Company. His own commercial report should be more reliable than all other reports. As I was formerly a departmental chief of the Co-operative Company, I can prove that the imports of Russian goods to China have been greater by several times than the exports of Chinese goods to Russia; and that the dumping of Russian goods into China has brought no profit at all to Russia.

"I understand full well the commercial plans of the Soviet Government in China. On the orders of the Soviet Government, the annual imports into China of

August 30, 1933.

Afternoon Translation

POLITICAL

Russian commodities like wood, cotton goods, chemicals, cement, fish, leather, furs, wine, and fruits, were fixed at over \$22,500,000. The only Chinese export to Russia is tea which, however, has been decreasing year after year because the Russian Government is ordering its tea from Java and other places. As to the dumping policy adopted by Soviet Government, this can be proved by recalling the protest lodged by the Chinese Cement Trade Association against the dumping of Soviet cement into China, which had impaired the Chinese cement trade.

"The Co-operative Company is exerting all its efforts to combat British trade. Brunnes, Mond and Company have been selling chemicals cheap in China. The Co-operative Company entered into a certain agreement with this British Company to work jointly for the suppression of the Chinese chemical trade. The Co-operative Company planned to eradicate later on the British chemical trade in China. According to "Mokoff's" statement, the Co-operative Company is a purely commercial organization to help British commerce and is registered in London under the British Commercial Law, and that no political movements are undertaken by the Company. This needs no refutation as it has been abundantly proved that it is not a purely commercial organ.

"All staff members of the Soviet-Russia Cooperative Company at Shanghai, Tientsin, Hankow and other cities in China are appointed by the Moscow authorities and act on instructions from Moscow. These members are not selected because of a knowledge of the Chinese market. They are all Communists working in the G.P.U. and most of them had formerly worked in a special service organization. That was why "Mokoff", "Papaky", "Yakuchinca", "Mahasloff", "Zeyikun", "Zakakun", "Manesango", "Kotsloff", "Lifomhoff", "Reilsauff", and others had been detailed to Shanghai.

"Papaky" joined the Communist Party in 1918. Between 1919 and 1925 he worked in the G.P.U. of the Special Gendarme Headquarters and was attached to Embassies abroad between 1925 and 1930. He possesses a special ability in the forgery of Chinese passports and copying the signatures of others. He is well acquainted with Chinese trade and is an expert in Chinese tea.

"Mahasloff" was formerly an Inspecting Officer and a Night Defence Commissioner of the G.P.U. Later he became an instructor of the G.P.U. in Central Asia. He joined the Communist Party in 1919 and was sent to Shanghai to assume the post of specialist in the Needle Weaving Department of the Soviet-Russia Cooperative Company.

"Zeyikun" is a Communist. He was detailed to work with the Soviet-Russia Cooperative Company as a specialist in the Spinning & Weaving Department.

"Yakuchinca" is a promoter of the Lenin's Communist Youth and a special service member of the Special Service Department. He was sent to Shanghai to fill the post of wood specialist in the Wood Department of the Soviet-Russia Cooperative Company.

POLITICAL

D.5024  
 "Kotsloff" had established an Economic Bureau before coming to Shanghai to work with the Soviet-Russia Cooperative Company. He learned the Chinese language in the Eastern Communist School, Moscow.

"All the Russians detailed to Shanghai are of the same character as the above. They are commissioned to Shanghai as specialists in political secret service work.

"This is my reply to Mr. 'Mokoff' that the Soviet-Russia Cooperative Company does not conduct any political activities.

"In April 1933, 'Mokhasloff' transported to Tientsin a large sum in Gold dollars, of which, G.\$38,000 was distributed among the Chinese there. He is now still in Tientsin. He made a report to the Three Men Struggle Section ('Mokoff', 'Zeyikun' and I joined it) that the Chinese Communist forces had made a great advance and would soon occupy Amoy.

"You ('Mokoff') must remember that you and 'Papaky' once assigned me to assassinate Wang Ching Wei, President of the Executive Yuan of the National Government. Owing to my failure to carry out the mission, you and 'Papaky' strongly censured me. Both you and 'Papaky' regarded Wang Ching Wei as a great enemy of Soviet Russia. To 'Papaky', Wang Ching Wei was worse than General Chiang Kai Shek.

"I shall publish in the newspapers a more detailed statement on the objects and the mission of the Soviet-Russia Cooperative Company."

MISCELLANEOUS.A MOTOR CAR ACCIDENT: CRITICISM OF BRITONS AND THE S.M.P.

The Ningpo Daily News, a mosquito paper, publishes the following comments:-

On the morning of August 10, two Britons named "Pan Su" and "Kai Ding Nga" drove a motor car at full speed along Nanking Road and injured a Ningpo man named Yue Gen Fu, breaking both his feet. However, the two Britons paid no heed to the accident and went away in their car.

At the instance of the two sons of the victim, the Ningpo Fellow Provincials Association sent a report to the Shanghai Municipal Police; they have also asked the Chinese Ratepayers Association for assistance. Strange to say, the attitude of the Police would seem to indicate that no action could be taken against the two Britons.

The British community have always claimed to be law-abiding and anxious for the maintenance of peace and good order. Their indifference in this case would mean that they treat with contempt the life of a Chinese.

We would advise the British that as the majority of the British residents are law-abiding, they should uphold their dignity and reputation.

The Shun Pao and other local newspapers:-

CENTROSOJUS ENTERTAINS NEWSPAPERMEN

The local branch of the Centrosogus gave a danner to reporters of the various local newspapers at noon yesterday at the Tu Chen Restaurant, Foochow Road. Some 30 foreign and Chinese newspapermen were present.

"Makoff", Chairman of the Federation, spoke on the organization of the Federation and refuted the rumours that the Federation had been established to undertake political intrigues.

2 - 9 - 33

Hun Pao and other local newspapers:

CENTROSOJUS TO ENTERTAIN JOURNALISTS TO-DAY.

Recently local newspapers published reports to the effect that Centrosojus, No.2 Peking Road, a political organ, was responsible for the attempt on the life of Wang Ching Wei, President of the Executive Yuan.

Interviewed yesterday by a reporter of the Dah Kung News Agency, "Yin-Ts-Loo" (李子路), Head of the Economic Section of Centrosojus, made the following statement:-

"The report published by the various newspapers on August 30 about Centrosojus was contributed by an employee named Morrison who had been dismissed for embezzlement. This report was first made public in local Russian papers and translations were published by the Chinese newspapers. This report not only affects the Centrosojus but will seriously obstruct the relations between China and Soviet Russia. The local Russian newspapers are established by White Russians who are the political opponents of the Soviet Government and are responsible for this malicious propaganda. The Centrosojus has taken the matter in hand and is planning to give an entertainment to local newspapermen at the Metropole Hotel, Foochow Road, on September 2 in order to give them the facts. At the same time a report on the Sino-Russian trade and the trade policy of the Soviet Government towards China will also be made".

# Centrosojus Denies Plot Against China

## Concern Only Interested In Trade, Spokesman Of Soviet Company States

Recent reports in the Chinese newspapers to the effect that the Centrosjus (England) Ltd., which is the buying and selling agent for co-operative enterprises in Soviet Russia is carrying on secret political activities against China and that it is plotting on the life of Mr. Wang Ching-wei, president of the Executive Yuan, were emphatically denied by Mr. M. M. Markhoff, manager of the company, during a reception extended to representatives of the local vernacular press in the Metropole Hotel yesterday.

"The Centrosjus is a commercial organization indulging in no political activities. We are here for business. What we are interested in is to make up a balance, and meanwhile to secure a handsome dividend," declared Mr. Markhoff.

### Not Political

According to the manager, who presided at the function attended by more than 20 representatives of the Chinese press, the Centrosjus was registered in England and is carrying on business here through Chinese merchants.

The company is not a political group and hence it is not engaged in any political functions, Mr. Markhoff declared. All reports charging the firm with secret activities against China are absolutely groundless and can be nothing but malicious rumors purposely spread by those unfriendly to the company in hope to gain certain advantages, he said.

The rumors first started a few months ago with the so-called mysterious disappearance of a certain Mr. Morrison, who represented himself as chief of the chemical department in the department, he continued. The company subsequently brought up an action against Morrison in the First District Court on the charge of embezzlement.

An interesting angle to the case came up when Mr. Morrison suddenly surrendered himself at the Central Police Station saying that he had just rushed back from Hankow on hearing the embezzlement charge against him in Shanghai. The case was duly brought up in the local tribunal, which, however, found him not guilty.

### Never Chemical Chief

But according to Mr. Markhoff yesterday, Mr. Morrison had never been the chief of the chemical department in the company. Instead, he was just an ordinary staff member, who left the company a few months ago.

When reminded that Mr. Morrison was found not guilty in the local court, Mr. Markhoff only said:

"I am not a lawyer. I am a businessman. I am not interested in the legal proceedings. I am only interested in the business of the company."

"We have no influence with the Chinese court."

According to Mr. Markhoff, Morrison came back from his trip to Hankow with a document as a whole document, which, he said, he held before the court.

5024  
7-2-12-3

" КОПЕИКА " , September 7, 1933

### **Раскаывают письмо Моррисона.**

В связи с разоблачением В. А. Моррисона деятельности в Китае агентов III-й Интернационалы, прикрывавшихся легальными служебными лицами в советских торговых учреждениях, Коммунистическое правительство отправило в Шанхай специальную комиссию, которая имеет целью разоблачить разоблаченных агентов.

#### Translation

#### INVESTIGATION RE: MORRISON'S LETTER

In connection with V.A. Morrison's revelations on the subject of the activities in China of agents of the III International under the masks of employees of the Soviet commercial institutions, the "anking Government sent a special commission to Shanghai with the object of making investigation into the matter.

D. S.

Officer i/c Special Branch.

Information.

*Copy sent to  
Miss Gann. 1/2/33  
JH*

*7/2/33*



The Shanghai Evening Post & Mercury, Monday, September 18, 1933

# Pravda Calls Attention To Acts In Shanghai Falsifying Centrosojus

(TAM)  
MOSCOW, Sept. 17.—Dwelling on the provocative attempts frustrate the normal business activities of the Shanghai branch of the Centrosojus, "Pravda" in an editorial remark points out that the organizers of these provocations are applying the usual methods of falsification.

The Whiteguardist Morrison is used for writing sensational "exposures"; nor, as it forgets the notorious anti-Communist Whiteguardist Keadryansky who has repeatedly "distinguished" himself in the organization of anti-Soviet provocations.

"Pravda" emphasizes the existing intention to stage a political trial against Centrosojus by falsely and slanderously representing this commercial organization as a political center of the communist movement in China.

"These efforts to discredit the business prestige of the Shanghai branch of the Centrosojus will not meet with the support of the Chinese commercial circle, because the Centrosojus, being connected with the Chinese market for over 18 years, has gained already firm confidence of the business community," concludes the newspaper.

\$2 Please note.

WY  
1933

S. I. Prokofiev  
19/9.



## CASE AGAINST MARKHOFF

### Centrosojus' Ex-employee Brings Counter-action

The recent action brought in the First Special District Court by M. Markhoff, manager of the Centrosojus, Ltd., 2 Peking Road, against J. A. Morrison, former salesman of the Centrosojus, charged with misappropriation of over \$25,000, representing the price of a cargo of goods allegedly sold through Morrison, had an interesting sequel yesterday when a counter-action was brought in the same court by Morrison against Markhoff and five other employees of the Centrosojus, plus more charges by Morrison with this accusation, illegal detention and forcible seizure of money. The five accused other than Markhoff were Yakimovich, Molodtsov, Pabich, Krasovskiy, and Bihov.

Represented by Dr. Franklin Chin, attorney-at-law, Morrison told the Court yesterday that he was formerly in the employ of the Centrosojus, but was later forced to leave his employment and went to Moscow because he refused to engage in political activities for the first accused and the latter was trying to send him back to Soviet Russia.

The complainant continued that a false charge of misappropriation was then preferred against him by Markhoff in the Court, but he was found not guilty. Complainant alleged that Markhoff also sent the fourth, fifth and sixth accused to his home at 374 Kiangse Road and, "illegally detaining his wife in a bathroom, forcibly took away from his house Gold \$11,177 and \$728 in notes, etc. Receipts for these amounts were later issued by the second and third accused to the complainant, but the money had never been returned.

All six accused were in Court and a flat denial of the charges were entered by them. The three accused alleged to have invaded the complainant's house declared they had never been there and so it was impossible for them to take any money from complainant's house or to detain his wife.

The hearing was adjourned till next Thursday, the accused being bailed out in the sum of \$5,000. Dr. F. Wilhelm and four Chinese lawyers were the counsel for defence.

## RECEIPT ISSUED BY MARKHOFF

Examination Ordered by  
Judge Shih

### ROBBERY ALLEGED BY MORRISON

Heated arguments regarding the genuineness of a receipt for Gold \$11,177 and \$722 marked the resumed hearing, before Judge L. J. Shih in the First Special District Court yesterday afternoon, of the private criminal prosecution brought by V. A. Morrison, a Soviet citizen, against M. Markhoff, manager of the Centrosojus (England), Ltd., 2, Pekiang Road, and Yakimenko, Musineva, Babick, Krasovsky, and Shkova, all employees of the Centrosojus, who were charged with robbery, illegal detention and false accusation.

It will be recalled that Morrison was recently charged by M. Markhoff in the same Court with misappropriation of over \$25,000, the value of a cargo of soda sold by Morrison for the Centrosojus. The accused was later acquitted by the Court and now he was charging Markhoff and five of his employees with false accusation, robbery, etc., it being declared by Morrison that he had never misappropriated any money of the Centrosojus and that the charge of misappropriation had been fabricated by Markhoff because he, Morrison, had refused to engage in political activities for the Soviet trade organisation.

Morrison further declared that when he was detained by police at the instigation of Markhoff, the latter sent three of his employees, the fourth, fifth and sixth accused, to his home at 374 Kiangse Road and, illegally detaining his wife in a bathroom, the invaders searched the house and took away Gold \$11,177 and \$722 in addition to a hand book and a cheque. The cheque and hand book, Morrison declared, were later returned by the accused, but not the money although the accused later issued a receipt for this amount to him.

### Not a Receipt

At yesterday's hearing, counsel for the defence told the Court that the receipt issued by Markhoff to Morrison was not a receipt, but a letter giving Morrison permission to return to Soviet Russia and to apply to the Soviet organs for travelling expenses after his arrival at Vladivostok. This letter, counsel for defence declared, never mentioned that a sum of Gold \$11,117 and \$722 had been received from Morrison and the numerical characters which appeared in the letter had been added by Morrison himself.

As Morrison insisted that the numerical characters in the letter were not added by himself, the Judge ordered that the letter should be examined by an impartial official and the result of the examination would be made public at the next hearing.

Morrison further stated that he came to China in January, 1932, when he joined the staff of the Centrosojus at a monthly salary of Gold \$185. The sum of Gold \$11,117 and \$722 belonged to his wife, Morrison told the Court, the major portion of the amount they having managed to bring from Russia while the remaining amount was his savings after arrival in Shanghai. He did not deposit the sum with a bank, Morrison told the Court.

Owing to the late hour, the hearing was again adjourned. Dr. Franklin Chou represented Morrison and his wife while Dr. J. Williams and four Chinese lawyers were the counsel for defence.

## MIDNIGHT SHOTS IN CONCESSION

Mr. Z. A. Morrison's Mysterious Visitor

A midnight visitor to the flat of Mr. Z. A. Morrison, formerly connected with Centropojas, Ltd., is engaging the attention of the French authorities at the moment. It is not thought that the visit was that of a robber, as nothing was taken, but the man was discovered bending over the bed where Mr. Morrison was sleeping.

The incident occurred some time after midnight on the night of October 19-20. Mr. Morrison occupies a flat at 342 Avenue du Roi Albert. Mrs. Morrison awoke at the sound of someone moving about the bedroom, and then saw a figure bending over the bed in which her husband lay asleep.

At the sound of her voice, the man dropped something on the floor, and ran towards the window and verandah. Mrs. Morrison screamed for help, at which the man threw a chair at her. Mr. Morrison had by now awakened, and, getting his revolver, fired at the figure, who rapidly descended by means of a rain-pipe, and succeeded in making good his escape. The neighbourhood was aroused by the sound of the shots, and a search of the garden was made, without result, no one being found.

Investigation being made, a watchman related his encounter with a foreigner that night. Shortly after hearing the shots, he saw a foreigner come out of an alley-way. He asked him his business, and the man, saying he had "nothing to do with all the noise," quietly disappeared into Route Vallee. It is thought that more than one man was involved in the midnight visitation, as a heavy ladder was found against the wall and it would tax the efforts of one man to carry it.

File  
9/15

5

## CASE AGAINST MR. MARKHOFF

### Counter-Charge Made by Accused

Mr. Markhoff, head of the Controsojus, local Soviet trade organ with its office at 2 Peking Road, and five other employees of the company, Yakimenko, Molodtsova, Babich, Krasovsky and Bikova, who were charged in the First Special District Court with false accusation, illegal detention and robbery by Mr. V. A. Morrison, ex-salcaman of the Controsojus, appeared before Judge Shih yesterday afternoon for resumed hearing of the case against them. The accused told the Court that they would file a counter-charge of false accusation against Mr. Morrison.

The case as outlined by Mr. Morrison's lawyer was that Mr. Morrison was forced to quit his job in the Controsojus because he refused to engage in political activities for Mr. Markhoff and that on May 26 last, Mr. Markhoff sent the fourth, fifth and sixth accused to Mrs. Morrison's house at 574 Kiangsu Road, and, forcibly holding his wife in a bathroom, conducted an illegal search of the house and seized gold \$11,177 and \$723 in notes. A receipt for these amounts was issued to the complainant, it was said.

An emphatic denial of these charges was entered by the accused yesterday. Mr. Markhoff told the Court that once Mr. Morrison's wife came to his place and, seeing her husband had disappeared, asked for financial aid to enable her to return to Soviet Russia. She then also brought to his place a change book, etc., as she said and cash there. Whereupon Mr. Markhoff said he gave a sum of money to Mrs. Morrison.

The fifth accused stated that Mrs. Morrison went to her place and said she was penniless and could not return to Russia. Accused said she gave her \$5.

Mr. Markhoff told the Court that the accused's statement that his wife was willing to return to Soviet Russia was absolutely without foundation. Mr. Morrison handed to Court a letter which he said could prove that the accused's statement was untrue.

Questioned by Court as to why a receipt had been issued to him by the accused if the latter freely intended to rob him of Gold \$11,177 and \$723, Mr. Morrison stated that the receipt was issued by the accused when his wife insisted she would not return to Soviet Russia unless a receipt was issued to her for the amount allegedly taken by the accused.

A further adjournment of the hearing was ordered. Dr. F. Wilhelm and four Chinese lawyers were for the defense.

## Morrison-Markoff Action Awaits Judgment

Sequel To Earlier Case Nears End In First  
Special Court; Experts Declare A  
Receipt To Have Been Forged

Judgment will be delivered tomorrow in the case in the First Special District Court in which M. Markoff, manager of the local office of Contronsoju, (China) Limited, a Russian organization on Peking Road, and five of his assistants are charged with false accusation, illegal search and robbery by Mr. N. Morrison, a former employee of the firm. This was announced yesterday by Judge Shih after he had listened to heated argument between lawyers for the two sides.

The case is a sequel to a dismissed case in which Mr. Morrison was charged by Mr. Markoff with having taken a large sum of the company's money. Now Mr. Morrison has charged Wakimanke and Mrs. Moiseova, two of the accused,

with having robbed his wife of G.411,470 and £700 by forcing her to give the money to them during his absence. The money was never returned although Mrs. Morrison had received a receipt for it, he said. The accused denied the charges. The money, according to the plaintiff, represented the savings of his wife and himself and he dared not deposit it in a bank because the Russian law did not allow him to do so.

### Many Councils

At the last hearing attention was directed to a receipt which the Morrissons gave supposed to have obtained from the management of Contronsoju in exchange for their cash. The case was then adjourned pending examination by experts of the typewriter used to type out the receipt. It was stated by the Court yesterday that owing to examination made by the Ministry of Justice the receipt was forged.

Speaking for defendants, four Chinese lawyers and one foreign lawyer, Mr. F. Williams, all denied the charges made by the Morrissons. One Chinese lawyer argued that no punishment did not mean false accusation according to the Russian law. Mr. Morrison simply accepted punishment in the last case.

### Savings And Russian Law

Mr. Williams stressed that complainant could produce evidence to support his second charge, that of illegal search. Accused did not commit robbery, because otherwise he would not have issued a receipt, he said. The only other witness for the plaintiff, the woman, might have been influenced by her master and mistress.

In cross-examining plaintiff Mr. Williams said that it would have been a miracle for them to bring such a big sum of money from their country to Shanghai if the Russian law was strict. He asserted that it was an imaginary sum. He also said that it was ridiculous that plaintiff did not arrange to have it deposited with any one of the Shanghai banks. He accused the Morrissons of forgery of the receipt.

Counteracting certain statements, M. Markoff said in the Court that there was nothing political involved in the case. He explained that his firm was of more than 10 years' standing and that it was a purely commercial organization aimed at promoting friendly relations between China and the U.S.S.R.

52

my further  
news please?

JH

1/15

1055-24/10

## SOVIET CITIZENS ACQUITTED

### Centrosojus' ex-Salesman Loses Suit

The case against Mr. Markhoff, head of the Centrosjus, local Soviet trade organisation, and five other employees of the company, Yakimenko, Moiseeva, Babich, Kra-ovsky, and Bikova, charged by Mr. V. A. Morrison, ex-salesman of the Centrosjus, with false accusation, robbery and illegal detention, came to a conclusion in the First Special District Court yesterday when Judge L. J. Shih delivered his judgment acquitting all the accused. The Judge also dismissed the counter-charge of false accusation filed by the accused against Mr. Morrison.

The most important evidence produced in Court by the complainant was in the form of a letter from the complainant Gold \$11,177 and \$722. The complainant declared these amounts of money had been seized from his house by the fifth and sixth accused at the first accused's instigation, and that the above letter had been issued as a receipt.

The accused emphatically denied having committed robbery and asserted that the numerical characters in their letter to the complainant had been added without their knowledge. The letter, the accused told the Court, was issued by them, authorising the complainant to return to Russia and apply to Soviet organisations for travelling expenses after arrival at Vladivostok. It was not a receipt, accused said.

After having the letter examined by official experts, the Court upheld the accused's contention and acquitted them of the robbery charge. As to the other two charges, they were also branded as groundless by the accused who maintained they had not been to the complainant's house and consequently it was impossible to illegally detain his wife in a bathroom as alleged.

Counsel in the case were Dr. Franklin Chiu for complainant and Dr. F. Wilhelm and four Chinese lawyers for the defence.

THE HANGHAI TIMES, TUESDAY, NOVEMBER 22, 1938

## HIGH COURT REOPENS MORRISON CASE

### Centrosojus Employees Deny Allegations Of Robbery, Search

The first hearing of an appeal filed by N. Morrison against M. Markon, manager, and five employees of the Shanghai office of Centrosojus (China) Limited, was brought yesterday before Judge Ning of the Second Branch Kiangsu Higher Court. After a brief session the case was postponed sine die.

Morrison, a former employee of Centrosojus, was the defendant in a suit brought by the Company some time ago on embezzlement charges. Found not guilty Morrison brought a counter suit against his former associates on the various charges of false accusation, illegal search and robbery. This case was dismissed by the first Special District Court and Morrison filed an appeal.

Yesterday the plaintiff charged defendants with entering his home, imprisoning his wife in the bath room and taking U. S. \$11,470 and \$700. It was alleged that

receipts were left for the money, but that defendants have refused to return the cash. The accused denied the charges, stating that Morrison did not have any such amounts of money in his possession.

FILE  
TK

## V. A. MORRISON APPEALS

### Dissatisfied with District Court Decision

The legal battle between Messrs. Markhoff and Morrison, Soviet citizens, in connection with alleged misappropriation of funds belonging to the Centrosojus and robbery of G.\$11,177, was carried to the Second Branch Kiangsu High Court yesterday when Morrison appealed against a recent decision of the First Special District Court, acquitting Markhoff and five other Centrosojus employees of charges of robbery, false accusations and illegal detention. The hearing was adjourned.

The battle started several months ago when Markhoff, as head of the Centrosojus, charged Morrison in the First District Court with having misappropriated over \$1,000 through the sale of a quantity of goods on behalf of the Centrosojus. After he was found not guilty, Morrison charged Markhoff in the same Court with malicious accusation, and further with having sent men to his home, illegally detained for several hours his wife in a bath-room, and robbed her of G.\$11,177 and \$725. After a number of hearings, this case was likewise dismissed.

In the High Court yesterday, Morrison declared he was dissatisfied with the Lower Court's decision because there had been sufficient evidence against the six Centrosojus employees. Having sold goods for the Centrosojus, Morrison said, he handed over the money to Markhoff and the G.\$11,177 and \$725 were forcibly taken away from him and belonged to his wife whose father was a well-to-do merchant in Russia before the revolution.

Morrison addressed the Court for the major portion of yesterday's hearing. In answer to the Court, he stated that he was ordered to return to Russia several months ago and the reason was that, according to instructions, a Soviet citizen assigned to duty abroad must go back after one or two years. If a Soviet citizen ordered to return refused to obey the order, force would be employed to bring him back and have him shot. Morrison told the Court.



## MORRISON APPEAL CASE

### Centrosojus' Account Book Produced in Court

The hearing was continued in the Second Branch Kiangsu High Court yesterday of the appeal case arising out of the dismissal, by the First Special District Court, of a private criminal prosecution brought by V.A. Morrison against Marland and five other employees of the Centrosojus, on charges of robbery, false accusation and illegal detention. After lasting the major portion of yesterday morning, the hearing was adjourned till next week.

Papers were produced yesterday by Morrison, showing that he arrived here from Tientsin on June 12. This was pointed out by the counsel for the Centrosojus company as contrary to a statement made by Morrison at a previous hearing that he arrived here from Hankow on June 12.

Accounts books of the Centrosojus were also produced in the Court, which revealed all transactions done by the company with the exception of the sale of a quantity of goods valued at \$10,000, for the alleged misappropriation of which Morrison was charged by the Centrosojus manager in the Lower Court.

Morrison was examined on the misappropriation charge, when he denied charges of false accusation, illegal detention and robbery were opposed by Mr. Justice Marland and the other employees of the Centrosojus, but this case was further dismissed, when the Lower Court decision, an appeal was filed by Morrison.

Mr. G. F. Smith and Mr. W. H. Smith, the law firm of Smith, Smith, Smith & Wicks, who are representing the Centrosojus company, with Morrison was represented by Dr. Franklin Chia.

# Words Still Crackling In Morrison Trial

## Ex-Centrosojus Employee Outspoken In Charges Against Soviet Firm

The A. V. Morrison appeal case against the judgment of the lower court in dismissing the private criminal prosecution brought by him against the manager and five other employees of Centrosojus (England) Limited, came up for another heated hearing before Judge Kiang in the General Branch of the Kiangsu High Court yesterday morning and was adjourned sine die.

The main point argued yesterday was the signature of Mr. Morrison, an employee of the Soviet enterprise, on a letter which contained the sale of sulphate of soda to the Chinese firm in violation of the regulations. When Mr. Morrison was interrogated yesterday he stated that he was not the author of the letter and that he was not the manager of the Chinese firm. The Chinese firm, Centrosojus, was accused of having been established in violation of the regulations and of having been used for the purpose of selling goods to the Chinese firm.

21512/5/2

File 9/11/50

"Morrison" Case

Owing to the sickness of the appellant, a further adjournment for an indefinite period was ordered yesterday by the Second Branch Kiangsu High Court in the appeal filed by Morrison, a Soviet citizen, against the acquittal by the First Special District Court, of six Soviet citizens charged with false accusations and robbery. The six accused were Markoff, Babich, Krasovsky, Yakimenko, Melisova, and Etkova. Morrison alleged that several of the accused went to his home off Kiangso Road last year and robbed him of an amount of money in American and British currencies and also illegally detained his wife. Before this case was heard, Morrison was charged by Markoff with misappropriating a sum of money of the Comintern's local Soviet trade organization, but he was acquitted.

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# Morrison Case Withdrawn By Prosecution

## Long-Drawn-Out Affair Involving Centrosojus Comes To Abrupt End

## Misappropriation Charge Tossed Into Discard

The appeal of A. V. Morrison, former employee of the Centrosojus (Kiangsu) Limited, against the judgment of the lower court in dismissing the private criminal prosecution brought against the manager and five other employees of the local offices of the Soviet firm, on charges of false accusation, illegal detention and robbery, came to an abrupt end in the Second Branch of the Kiangsu High Court last Saturday when Morrison, through his attorney Mr. Franklin Chih, filed an application withdrawing the appeal on the ground that he did not want to proceed.

The Morrison-Centrosojus legal tangle dates back to May of last year when Morrison was acquitted by Judge Dahn in the First Special District Court of the charge of misappropriating \$25,000 from the Centrosojus local office.

### Started New Case

After being acquitted of the misappropriation charge Morrison, who was formerly connected with the local office of the Soviet organization as a salesman, started a private criminal prosecution against the manager and five other employees of the company. Following a long trial Judge Chih dismissed all the charges brought against the members of the Soviet firm, including the alleged robbery of U.S. \$11,177 and \$723 from Mrs. Morrison by two of the employees of the company, while Mr. Morrison was confined in jail pending the trial of the misappropriation case.

Following the acquittal of M. Agarnoff, local manager of the Centrosojus, Mr. Wakenko, Mrs. Molodova, J. N. Babich, V. Krasovsky and others, Morrison filed an appeal and it was this appeal that he withdrew on Saturday.

Morrison charged Mr. Agarnoff and Mr. Babich with falsely accusing him of misappropriation in connection with which he was previously charged. He also alleged that Mrs. Morrison was sexually abused by Mr. Babich and Mrs. Molodova. He also alleged that Wakenko and Mrs. Molodova robbed Mrs. Morrison of U.S. \$11,177 and \$723.

The appeal proceedings, which lasted several sessions and which were attended by the press, were abandoned by both sides and the court ordered the case to be closed.

documents presented by Morrison to be examined by experts. Dr. O. Fischer, Dr. F. Wilhelm and three Chinese lawyers appeared on behalf of the manager and the employees of the Centrosojus.

*OK 1372*

*h-1*

*FILE  
JR*

*7*

**Morrison Withdraws Appeal**

The appeal of V. A. Morrison against the judgment of the First Special District Court in dismissing his private criminal prosecution for false accusation, illegal detention and robbery against the manager and five other employees of the Controsojus in the Second Branch Kiangsu High Court has come to an abrupt end, the appellant having filed an application through his lawyer, Mr. Franklin Chiu, withdrawing his appeal on the ground that he does not want to proceed with the case. Morrison was formerly connected with the local office of the Controsojus. He was charged last year by Marakhoff, manager of the Controsojus, with misappropriation, but the charge was dismissed by the First Special District Court. A private criminal prosecution against the six employees of the Soviet trade organization on three charges was then brought by Morrison, but this was likewise dismissed. The subsequent appeal proceedings were characterized by the heated arguments between the opposing counsel, and the allegation made by Dr. O. Fischer, defending the respondents, that the appellant had forged certain documents on the basis of which he tried to enforce a claim for payment of Gold \$11,000 and \$722. An examination

SHANGHAI MUNICIPAL POLICE.

REPORT

SECTION 2

Date February 16, 1934

SHANGHAI MUNICIPAL P.  
File No. 2-23  
D 5024  
KIDNEY  
162 1/2

Subject (in full) Case of V.A. Morison vs Centrosojus.

Made by D.I.I. Prokofiev.

Forwarded by

The appeal of V.A. Morison, former employee of the local branch of the Centrosojus (England), Ltd., against the judgement of the Shanghai Special District Court in dismissing his private criminal prosecution for false accusation, illegal detention and robbery against M.N. Larkoff, manager of the Centrosojus, and five other employees of the same concern in the Second Branch Kiangnan High Court, came to an end on or about February 12, the appellant having filed an application withdrawing his appeal on the ground that he did not want to proceed with the case.

According to our information this was the result of a certain understanding which had been reached between the parties concerned outside the court.

Attached herewith I forward a memorandum containing all information in our possession regarding V.A. Morison as well as an outline of the circumstances of the case referred to above.

G. P. Kozlov

D. S. I.

Officer i/s Special Branch.

Copies sent to Messrs. Stepan, Kirov & Saluki

7342

5/2/34

SECRET  
C. S. S. R.  
No. D-5054  
17.2.1934

Translation from "KOPRIKA" of February 17, 1934.

COMRADES FROM THE CENTROSOJUS DECIDED TO "BEAT IT".

It is rumoured that Markoff has been recalled.

In connection with the application filed by V.A. Morison in the Chinese court a few days ago, in which he stated that he did not want to proceed with the case against the principal employees of the Centrosojus, remarkable developments have taken place:

The day before yesterday the following persons left Shanghai in a certain vessel :-

I.N. Babitch , A.Z. Yakimenko and Mrs Moiseeff, Secretary of the Centrosojus.

Recently Mr. Sanegin also left for Hankow.

Thus, out of all individuals who appeared as accused in the case of Morison vs. the Centrosojus, only Markoff and Mrs Rykoff remain here. Of these the latter played an insignificant part in the affair.

It is said that Markoff has been ordered to hand over his post to a new manager and to be ready to leave Shanghai for the U.S.S.R.

This sudden departure of important personages involved in the sensational case in question leaves one to wonder whether or not it was due to the possibility of some unexpected developments in the case, likely to produce some unexpected effects, to which all comrades mentioned above hastened to depart from "inhospitable" Shanghai.

FILE  
72

Section 2  
February 18  
G. S. S. R.  
1934

SHANGHAI MUNICIPAL POLICE.

SHANGHAI MUNICIPAL POLICE  
CHIEF OF POLICE: S. BECK

Section 2, Special Branch  
REPORT

Date March 12, 1934

Subject (in full). Letter addressed to Mr. Franklin Chiu, Attorney at Law, from  
V. A. Morison.

Made by D.S. Tcheremshansky

Forwarded by

W. A. S.

I forward herewith for information copy of a translation from Russian of a letter dated February 22, 1934, addressed to Mr. Franklin Chiu from his client Mr. V. A. Morison. Morison, it will be recalled, was formerly connected with the Centrosojus but severed his connections with this establishment and left secretly to Hankow on May 18, 1933. On May 24, 1933, Mr. M.M. Markoff, manager of the Centrosojus, reported to S.M.P. that Morison had absconded taking with him \$25,000. On June 19, 1933, Morison voluntarily surrendered himself to the Shanghai Municipal Police in order to rehabilitate himself. Morison appeared before Shanghai Special District Court on June 14, 1933, on a charge of misappropriation. He was remanded until 28.6.33 when he was acquitted. Morison thereupon instituted private criminal proceedings against M. Markoff, manager of the Centrosojus, and five other employees on a charge of false accusation, illegal detention and robbery. The sum alleged stolen was \$11,470 and \$700.00. On October 25, 1933, all accused were acquitted, following which a counter charge of false accusation was filed by them against Morison. This case was also dismissed. Morison then filed an appeal against judgment of Shanghai Special District Court. The appeal was commenced in the Second Branch High Court on November 27, 1933, and continued until December 8 1933 when for various reasons not mentioned, it was remanded "sine die".

On February 7, 1934, Morison withdrew his appeal as a result of secret negotiations between him and I.N. Babitch, Assistant Manager of the Centrosojus, and I.I. Angarsky, member of the U.S.S.R. Embassy. It is reported that Morison withdrew his appeal on condition that a certain sum would be paid to him by



SHANGHAI MUNICIPAL POLICE.

File No. ....

REPORT

Station, .....

Date, ..... 19 .....

Subject (in full) .....

Made by ..... Forwarded by .....

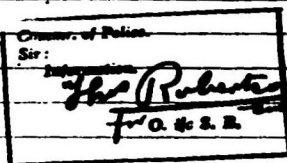
-2-

the Centrosojus and that he in turn would abstain from creating further trouble to this firm. Morison also promised to leave China for America or Europe.

After Morison withdrew his appeal I.I. Angarsky refused to give him any compensation. The attached letter was <sup>then</sup> sent by Morison to his attorney Mr. Franklin Chiu in order that it will be shown to Angarsky and to warn him that his client (Morison) will take further action in the matter. It is reported that Morison's intention is to start civil proceedings against the Centrosojus (England) Ltd. in the British Court as the firm is registered in England for the non-payment of wages @2400.00 and compensation for bringing a charge of false accusation against him. In this connection Morison has been negotiating with Mr. K. E. Newman, of Teesdale, Newman & Co., Advocates and Solicitors, <sup>57</sup>16 Peking Road.

*J. H. Chen*  
D. S.

Deputy Commissioner,  
Special Branch.



*Copies sent to Messrs. Stephen  
Robinson and Sakaki*

*18/7/34*

SHANGHAI MUNICIPAL POLICE.

File No. 5  
C. & S. E. RYGLIN.

Section 2, Special ~~and~~ **D. S. S.**  
REPORT

Date April 17, 1934

Subject (in full) Civil case brought by V. A. Morison against the  
Centrosojus (England) Ltd.

Made by D.S. Tcheremshansky

Forwarded by

*J.B.K. D.S.*

Information has been received that Mr. K. E. Newman, of  
Teesdale, Newman & Co., Advocates and Solicitors, No. 15 Peking  
Road, has instituted civil proceedings in H.B.M. Court against  
the Centrosojus (England) Ltd. on behalf of his client Mr.  
V. A. Morison for non-payment of wages G.\$400.00. It is also  
reported that Morison is suing for compensation in regard to a  
charge of false accusation which he alleged was brought against  
him by the Centrosojus in Shanghai Special District Court.

*J. Tcheremshansky*  
D. S.

Officer i/c Special Branch.

*Comm.*

*in*

*Information*

*The Robertson*  
*Club*

*copies sent to Messrs. Lipton*  
*Kilham & Kohnen.*

*807, 1934.*

*32*

*Forwarded  
reference*

*D.S. Tcheremshansky*

*DBK 1934*

*1934*

7  
Translation of article which appeared in  
"SLOVO" of October 24, 1934.

A. YA. VEINERMAN SUMMONED TO ATTEND COURT.

SUIT FOR \$40,000 promised to Morison.  
-----

A. Ya. Veinerman, Soviet citizen, owner of the "Astrid" Provision Store, French Concession, was summoned to attend the British Consular Court yesterday in connection with V.A. Morison's suit against the Centrosojuz, Ltd. for \$40,000, which had been promised to him for dropping his case against that concern.

A. Ya. Veinerman was summoned to give evidence because, according to Morison, he had acted as an intermediary in negotiations between Morison and Babitch and other local Soviet officials, which had been carried with a view to an amicable settlement of the affair. The above sum was not paid to him, Morison states, therefore he has instructed Mr. Newman, his legal adviser, to institute court proceedings on his behalf. Mr. Wilhelm appeared for the Centrosojuz. The examination of Veinerman took place in camera and newspaper reporters were not admitted.

## SHANGHAI MUNICIPAL POLICE.

SHANGHAI MUNICIPAL POLICE  
File No. REC-111

## REPORT

S-2, Special Branch, Section

Date December 7, 1934.

Subject (in full) Case of V.A. Morison vs Centrosojus (England) Ltd.

Made by D.S.I. Prokofiev

Forwarded by

J. Ben S.

Information has been received that the local Soviet authorities are making efforts to reach an amicable settlement with V.A. Morison, former employee of the Shanghai branch of the Centrosojus (England) Ltd. in connection with the civil proceedings which have been instituted by him in H.B.M. Court against that concern.

It will be recalled that on or about February 12, 1934, Morison withdrew his appeal against the judgment of the Shanghai Special District Court in dismissing his private criminal prosecution for false accusation, illegal detention and robbery against the manager and five other employees of the local branch of the Centrosojus. It was reported that this was the result of an understanding which had been reached between Morison and the Centrosojus.

According to Morison, the Centrosojus have failed to fulfill their part of the agreement, and therefore he instituted the court proceedings above referred to, suing the Centrosojus for non-payment of G.\$400.00 wages as well as for compensation in regard to false accusation which, he alleged, was brought against him by the Centrosojus in Shanghai Special District Court. On October 23, 1934, a preliminary examination in camera took place in H.B.M. Court of A. Ya. Vainerman, who, Morison alleges, acted as an intermediary between him and the Centrosojus during the negotiations, in result of which he had withdrawn his appeal. The hearing of the case is expected to begin shortly.

In the meantime, it is reported, Morison was approached by the Centrosojus through Dr. Fialer, their legal adviser, with an offer to pay him a certain compensation, if he is willing to

SHANGHAI MUNICIPAL POLICE.

File No. ....

REPORT

Station, .....

Date ..... 19 .....

Subject (in full), .....

- 2 -

Made by .....

Forwarded by .....

drop the case against them and to leave Shanghai. Recently Morison obtained from the Bureau of Public Safety a passport to enable him to proceed to the United States and applied for a visa at the local American Consulate-General, which would seem to indicate that a certain agreement between him and the Centrosojus has been reached.

Information of interest in connection with this matter will be immediately reported.

*G. Prokofiev*

D. S. I.

D. C. (Special Branch).

*copy sent to "A"*  
*8/27/4*

*26. (61)*

*Information.*

*J.H.G.*



*File*  
*J.H.G.*

SHANGHAI MUNICIPAL COURT  
S. B. REGISTER  
S. B. D. 10024

### H.B.M. Court Here Seeks Moscow Facts In Centrosojus Case

An order to expedite the transmission of testimony from Moscow was made in H.B.M.'s Supreme Court for China, this morning by Acting Judge P. Grant Jones, who set aside the motion of the plaintiffs, Mr. and Mrs. W. A. Morison, to grant a hearing of a case brought for the recovery of money alleged to have been wrongfully taken by Centrosojus (Eng. and Ltd.).

The suit is for U.S.\$11,739.31 plus \$722, purported to have been obtained illegally in Shanghai.

It was first issued in the court on May 2, 1934, and after sitting chambers an order was made on April 4 to send interrogatives to Moscow. Today's follow-up order demands that the letters of inquiry submitted to the court here by October 31.

It is understood that the letters are to be transmitted to the British Ministry of Foreign Affairs, in London, thence to the British Ambassador in Moscow, who must personally deliver them to the Chief of the People's Court there and the replies will have to come in the same way.

Mr. F. Williams appeared this evening, representing the Centrosojus Company, whose attorney Mr. John McNeill. Mr. H. E. Wain is acting as counsel for the plaintiffs.

\$2. Please note and  
have W. H. G. Upde.

8/16

26 OCT 1935

Noted.  
I.B. 3/10

Handwritten initials and marks at the bottom right of the page.

11257

# CENTROSOJUS CASE DELAYED

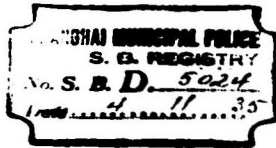
## Letters of Request Not Yet Sent to Russia

An order that letters of request and other documents pertaining to the action of A. Y. Morrison and Y. A. Morrison v. Centrosojus (England) Ltd. be filed in the Registry, by October 31, was made by Judge P. Grant Jones in H.M. Supreme Court yesterday morning. Counsel for both parties—Mr. K. E. Newman for the plaintiffs, and Mr. John McNeill and Dr. F. Wilhelm for the defendants—consented to the order.

Permission to use letters of request to the Soviet Russia in this case was granted by the court on April 12. These letters concerned lengthy interrogatories between counsel for both parties. Counsel for the plaintiffs held that the defending counsel had unreasonably delayed proceedings by not replying to his third set of interrogatories.

Mr. McNeill replied that there had not been undue delay. The final documents were all ready, he said, by September 28 but they were not filed because one of the plaintiffs had been in touch with Dr. Wilhelm with a view to a peaceful settlement out of court. Mr. Newman said he knew nothing of such negotiations for a peace still being entertained. Further that he did not know one of his clients had been visiting Dr. Wilhelm's office.

Judge Jones said that to him it appeared that whatever negotiations were going on it did not relieve defending counsel for the defendants from pushing forward the letters of request as quickly as possible. At the same time, he said, such negotiations were highly irregular procedure on the part of the client of Mr. Newman. Concerning Mr. Newman's motion, Judge Jones said he was not prepared to authorize counsel to set down a day for trial because he thought there had been contravention by the client of counsel for the plaintiff for the delay. He understood, however, that all the documents were now ready to be forwarded and, by mutual consent of counsel, he ordered that they be filed by October 31 in the Registry.



11257

11257

Mr. Franklin Chiu,  
Attorney at Law,  
225/229 Nanking Road, room 527.  
Shanghai.

As you are well aware, during my prosecution before the District Court of Mrs. Moisseieff, Mrs. Bykoff & Messrs. Markeff, Yakimenko and Babitch, the employees of the Centrosejus (England)ld., for executing an illegal search in my apartment, 374 Kiangse Road, appropriating my money and discrediting me by prosecution me before the Shanghai District Court by the Centrosejus, I was acquitted.

On the 8th. January 1934 the Centrosejus attempted through its representative Mr. A. J. Weinerman (Mr. Weinerman was employed by Centrosejus during my service there and has his own office in Henan Road) to begin negotiations with me regarding an amicable arrangement regarding my prosecution in the Court against the above-mentioned persons. Having informed the local authorities as well as you of this case I received on the 9th. January in my apartment 201/94 Avenue Dubail a visit of the said Mr. Weinerman. The mission of Mr. Weinerman according to the request of Centrosejus was to obtain information could I stop the prosecution against the representatives of Centrosejus, in case all my lawful claims would be indemnified, and secondly if I would immediately after the arrangement of this matter with the Centrosejus leave China for any other country, except Japan.

In case I would agree, the said departure would be settled with the assistance of the Consulate of USSR in relation of procuring passport, and visas. I have to add moreover that Mr. Weinerman suggested that it would be desirable that my departure would take place as soon as possible to America or France preferably.



A I answered that I would consult my advocate, but he replied that the conversation must be strictly confidential, nobody must know of it as well as the advocate. After these words Mr. Weinerman left me on the condition that I would think over his proposal and after two days would give him a definite answer.

On the 13th. January Mr. Weinerman telephoned me again requesting a rendez-vous if I could answer all questions which were put before me. I appointed our meeting on the next day i.e. 14th. January at the Cafe Kleinerman where I met Mr. Weinerman at 6.p.m. Answering the questions of Mr. Weinerman I declared that I agree in principle to stop my prosecution in Court in case all my lawful claims would be immediately indemnified. As to my leaving for any other town or country I did not yet determine but expressed my desire in the view of my safety I would prefer to stay in Shanghai. Mr. Weinerman was not satisfied with my last declaration but expressed a hope that this question would be settled satisfactory and that the fact that I in principle agree to stop the prosecution in Court is most important.

At the end of our conversation he reminded me again that he wishes our conversation to be confidential and asked me if I agree to sign an application to the Soviet Consulate for returning to USSR. He added that this does not oblige me, certainly, to return to USSR in reality, but it is necessary for rehabilitation of the Centrosejus and restoring the authority of Soviet Circles in China and in general in order to draw attention of Hostile Countries and especially of White Emigration to the fact that Mr. Morisson regrets and again asks permission to return to USSR. Besides Mr. Weinerman added that instead of my departure to USSR I silently could leave for any other country making a hint that it was for America, and that all concerning passport and visas for my leaving would be done.

I flatly refused this proposal and we interrupted our meeting, after which Mr. Weinerman observed that my rejection will be known to USSR Consulate as well as to Mr. Babitch, who is authorized by the Ambassadorship to settle all questions with me.

After a few days Mr. Weinerman again telephoned to me and we

Appointed again a meeting in the Cafe Kleinerman. At the same time Mr. Weinerman once more confirmed that all the money due to me could be returned in full, but to obtain it requested: 1) that a paper should be signed by me that I have no claims to the Centresejus, 2) I must immediately leave Shanghai, and 3) I must sign an application to the Soviet Consulate which was proposed during our former conversation. Two last proposals I rejected, but as to the paper that I shall have no claims, I agreed on condition that my advocate should attend and personally would certify the paper which would be signed by me. I took in consideration that any could be given to me, as you warned me and that no papers, receipts and applications I must sign without your presence or direction in order to avoid disappointment.

Mr. Weinerman was not satisfied with my answer and our conversation was interrupted again.

On the 5th. February Mr. Weinerman telephoned again and asked me to meet him at 12.30 p.m. same day. After I have informed you I came to the office of Mr. Weinerman where I met Mr. Babitch with whom I began to converse as he took the place of the Manager of Centresejus.

I began negotiations regarding the forms and the character of liquidating the affair in Court and the satisfaction of my claims.

Mr. Babitch declared that the Centresejus cannot return the money taken from me on the 29th. May 1933 by Yakimenko, Weisseloff & Rykoff being afraid that having received the money I could endeavour to obtain a conviction of the said persons and that this circumstance will appear as loss of credit not only by Centresejus as an official English firm, thanks to which case many disappointments would be for the USSR which is the real proprietor of the Centresejus in fact. Therefore continued Mr. Babitch, I will compensate you materially in full on condition if you stop the prosecution officially what from the view of the public opinion will restore the "lost face" of the official representatives of Centresejus and as soon as the prosecution will be stopped<sup>P</sup><sub>A</sub> all my lawful claims will be indemnified which proposal I am officially permitted to tell my advocate, and that Mr. Babitch and one responsible employee of the USSR Ambassadorship can meet together for the formulation of the conditions between me and Centresejus. Mr. Babitch declared further that they have no other

was for arranging all the misunderstandings and that they will request no more applications and that I must tell my advocate of the liquidation of the affair in Court and the receiving of all money due to me.

Once more Mr. Babitch observed that the Centrosejus would have paid the money a long time ago, but Mr. Wilhelm, the advocate of Centrosejus, assured them that in case of returning the money it would serve as argument that a search was really made in my apartment, otherwise the Chinese Court could not inspect. Danger comes out from this fact in case my claims are indemnified, Centrosejus inflicts itself to a criminal liability.

I answered that I will reply as soon as I consult my advocate. After consulting you, we came to the conclusion that Centrosejus at the beginning of the process attempted to liquidate the matter peacefully, but was afraid that if I were indemnified in full of my lawful claims I could continue criminal prosecution before the Court against the abovementioned responsible persons of Centrosejus for illegal search in my apartment as well as appropriation of the money belonging to me. Finally we have decided to agree to discontinue the pursuit in the Shanghai District Court and to begin conversation on the question of indemnifying my material claims.

On the 6th. February the second meeting took place with Mr. Weinerman whom I informed that I discontinue the pursuit in the Court on condition if Mr. Babitch confirms his view to my advocate, and in case I will be set wrong I shall be forced to make the matter a scandal. Mr. Weinerman assured me that Centrosejus sincerely wishes to regulate the affair between us as the process still continued does not only discredit Centrosejus, as an official English firm, but even this case puts Centrosejus in the such terms that the firm cannot continue business in the proper way.

On the 7th. February you as my advocate had a conversation with Mr. Babitch and afterwards at the same day both I and you signed an application to discontinue the pursuit and sent it in the District Court. In confirmation of our conversation with Mr. Babitch and the discontinue the pursuit in the District Court both I and you signed and sent an official

letter to Mr. Babitch in the Centresejus.

On the 13th. February according to our agreement I met in the presence of Mr. Weinerman, Mr. Babitch and after telephoning you we came to your office in order to visit the Ambassadorship of USSR and speak to the adviser Mr. Angarsky. During the conversation Mr. Babitch declared that the principles for the arrangement of the matter between us were attained but as to the formation of the material claims of Merisen as to the punishment of the persons who are guilty in the illegal search and of taking my material belongings this matter is concentrated in the hands of Mr. Angarsky.

As you are aware this interview passed in explaining to Mr. Angarsky all the details of the affair as he declared that he knows the case exclusively.

My second meeting with Mr. Angarsky in your presence took place on the 17th. February when the principal question of my leaving Shanghai was decided. The proposal of Mr. Angarsky to return to USSR I rejected and you with my accord declared that I can leave for any other country for instance South America or Turkey, but it is necessary to pay immediately all the money due to me.

Mr. Angarsky told that he has to meet me once more in order to think and choose any country for my leaving if I do not wish to go to USSR.

We terminated the meeting on condition that the next one will take place on Monday 20th. February.

At this day, as you remember, you have telephoned to Mr. Angarsky and directed the time and place of meeting, but Mr. Angarsky answered that he would like to speak to me separately. On the 21st. February in the morning being in your office I telephoned in your presence to Mr. Angarsky who replied to me that the meeting must take place without your presence.

After I have informed you and asked if I may agree upon his proposal you advised to me to agree upon condition that after conversation I should inform you and explain to you the contents of my conversation with Mr. Angarsky.

During this conversation Mr. Angarsky took back all his promises as well as all obligations which were given to me by Messrs. Babitch and Weinerman.

Taking in consideration that both you as well as I were set wrong and that thanks to the discontinue of the pursuit against Centresejus the defendants of this affair ~~vs.~~ Yakimenko, Mrs. Weisseieff and Mr. Babitch went on the board a ship and left for USSR I beg to request you to take measures for delivering to the suitable authorities my prosecution against the Centresejus requesting summons for the escaped by way of deceive Mrs. Weisseieff, Mr. Yakimenko and Mr. Babitch.

In case you are not interested in this affair any more and would not refuse my request I have honour to inform you that I shall be compelled to apply to an other advocate..

V.A. Morison.

22nd. February 1934.

## SHANGHAI MUNICIPAL POLICE

SHANGHAI MUNICIPAL POLICE

File No. REGISTRY

N. S. D. D. 2024

Date 20/12/35

## REPORT

Date December 2, 1935

Subject: Departure of V.A. Morison, ex-Soviet employee to Paraguay.

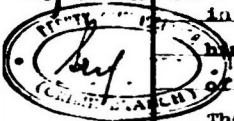
Made by: D.S. Tcheremshansky

Forwarded by: *SO. Rao*

V.A. Morison (File No. 5024), ex-employee of a local branch of Centrosojus (England) Ltd. and member of the Communist Party, who severed his connections with the Soviet on May, 1933, left for Paraguay via Marseilles on November 16, 1935 by s.s. "Chenancesaux", travelling 4th Class. Morison was employed as bookkeeper with Chibunovsky & Co., No. 424 Route Mère Robert from January 1, 1935 until October 1, 1935, but later was unemployed and his financial state became very bad. His departure came unexpectedly to both his wife and friends; he did however leave a letter to Mr. K.E. Newman, his attorney, in connection with the civil proceedings instituted by him in H.B.M. Court against Centrosojus for recovery of money alleged to have wrongfully taken by Centrosojus. The suit is for U.S.\$11,739.31 plus £722 purported to have been obtained illegally in Shanghai.

Morison stated in this letter he was unemployed and had no chance of obtaining any work here. His case has been remanded and as he was unable to remain in Shanghai, his friends had given him money and he had gone abroad where he hoped to find employment. In his letter he also requested Mr. K.E. Newman to help his wife by assisting her to find some employment. In conclusion he stated that he wished his wife to act on his behalf in the civil proceedings against Centrosojus and desired Mr. Newman to continue with the case.

D. C. (Special Branch)

*Ag. C.P.**Information*

*I.C. (Comm)*  
*Information*  
*Inds*

2 DEC 1935

*Tcheremshansky*  
 D. S.

# SHANGHAI MUNICIPAL POLICE

Section 1, General Report *11/11/35*  
**REPORT**  
 Date *June 10, 11, 1940*

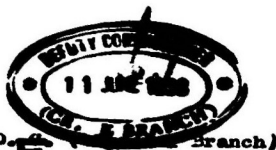
*Subject:* ... *Former employee, - return to Shanghai.*

Made by *D.S.I. Prokofiev.*

Forwarded by *C. G. G. D. I.*

V. A. Morrison, ex-employee of the local branch of the Soviet concern "Centrosojus", who left Shanghai for Marseilles on November 16, 1935, returned here recently from South America where he is reported to have been engaged in commercial activities. He resides at 101 Route Vallon at which address his wife, Mrs. A. Ye. Morrison, conducts a boarding house.

It will be recalled that in 1933 Morrison renounced his Soviet citizenship and took out emigrant's papers. Subsequently he became prominent in connection with the controversies between him and his former employers during the course of which Morrison exposed the alleged connections between the Centrosojus and the Chinese communist party.



*A. P. K. P. I.*

D. S. I.

*FILE*

3116  
2/ 2 40  
S  
February 20

40.

The American Consul General,  
Shanghai.

**CONFIDENTIAL**

Sir,

I have the honour to refer to your  
letter dated February 9, 1940, and to forward  
herewith copy of a police report regarding  
William Allum Morrison.

I have the honour to be,

Sir,

Your obedient servant,

Sd. K. M. Bourne.  
Commissioner of Police.

FILE  
2011

INDEXED  
(S B / REGID)

DATE 22/ 2 40  
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SHANGHAI MUNICIPAL POLICE

File No.

S. 1, Special Branch 3116 1/1/40 40

REPORT

Date February 20, 1940.

Subject MORRISON, William Allum alias MORISON, Vladimir Alexandrovitch  
alias KURUGASH alias SHERMAK - ex-employee of "CENTROSOJUS".

Made by D.S. Henchman Forwarded by D. I. Crawford

V.A. MORISON, ex-Soviet citizen - now citizen of U.S.A.. was born in 1901 in Kiev of Jewish parents. He first came to the notice of the Municipal Police in 1932 following his arrival in Shanghai from Dairen in company with his wife Adelina Yakovlevna MORISON. At the time of his first arrival in Shanghai he was in possession of Soviet passport No.8173 issued in Moscow on December 8, 1931.

Morison, a chemist by profession, was sent from Moscow ostensibly to take over the managership of the chemical department of "Centrosojus", centre of communist activity in Shanghai which then operated at No. 2 Peking Road. In actual fact his his task was of a political nature which involved, among other duties, the necessity of keeping observation over the activities of other Soviet agents in China.

Approximately a year after his arrival in Shanghai Morison quarrelled with his Soviet co-employees at "Centrosojus" who, satisfied neither with business dealings nor with his political activities, desired to have him sent back to Moscow. In order to avoid compulsory expulsion he fled to Hankow but soon returned in order to rehabilitate himself following charges of misappropriation preferred against him by "Centrosojus". Morison,

DATE 21/2/40

SHANGHAI MUNICIPAL POLICE.

File No. ....

REPORT

..... Station,

Date..... 19

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Subject.....

Made by..... Forwarded by.....

in turn, instituted charges of false accusation against "Centrosojus"; both charges, however, were eventually dismissed by the Shanghai Special District Court.

Shortly after the trial an attack, alleged to have been an attempt at assassination, was made upon Morison who, however, escaped unharmed and subsequently stated that his assailant, who was not arrested, was a Russian in the employ of "Centrosojus".

Morison's next move was to institute civil proceedings against "Centrosojus", but when this firm offered to pay him certain compensation, he agreed to drop the case and leave Shanghai.

In November, 1935, leaving his wife in Shanghai, Morison left for Paraguay where he is reported to have travelled in a commercial capacity on behalf of his brother, a U.S. citizen. In 1938 and again in 1939, he paid short visits to Shanghai, on the first occasion stating that he was acting on behalf of his brother's firm; the "Keystone Readers' Service" of San Francisco. His visit in 1939 which was only of a few days duration, he desired for some reason, to keep secret and though he is known to have visited his wife she, nevertheless, denied his presence in Shanghai. Mrs. Morison is reported to have left Shanghai for

SHANGHAI MUNICIPAL POLICE.

File No. ....

REPORT

..... Station,

Date..... 19

- 3 -

Subject.....

Made by..... Forwarded by.....

the States aboard the s.s. "President Cleveland"  
on 16th. February, 1940.

Perusal of the records concerning Morison  
leave one in no doubt regarding his general  
untrustworthiness. Though he maintained that  
his reasons for severing his connections with  
"Centrosojus" were based on political difference of  
opinion. there is no reason to suppose that this  
was the case. In actual fact it appears that his  
disagreement was due to quarrells over pecuniary  
matters and not as he alleged, over his disillusion--  
ment in the Communist doctrine.

C. 20/2.

*D. S.*

D. S.

A. C. (Special Branch).

FILE NO. 811.11-Morison, A.J.L.  
JBS/cyk



DEPARTMENT OF STATE

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

RECEIVED  
S. E. D. 9766  
Date 13 2 40

AMERICAN CONSULATE GENERAL  
Shanghai, China, February 9, 1940.

RECEIVED  
S. E. D. 3116  
Date 21 2 40

Major K. M. Bourne, M. C.,  
Commissioner of Police,  
Shanghai Municipal Council,  
Shanghai.

Sir:

9/13/40  
I have the honor to request any available  
information from police records regarding one William  
Allum Morison who is reported to have visited  
Shanghai for a few days in July of 1938 as a  
representative of the Keystone Readers' Service of  
San Francisco, and to have visited the Orient  
previously in about 1934 on behalf of the same  
concern.

I have the honor to be, Sir,

Your obedient servant,

*[Signature]*  
C. E. Gauss  
American Consul General

1  
PA  
C. E. Gauss

2  
D.C. (Sp Br)



*[Signature]*  
D. Henchman  
Swat  
1812  
Rdyf  
13/2

February 12, 40.

The American Consul General,  
SHANGHAI.

Sir,

I have the honour to acknowledge receipt of your letter dated February 9, 1940 with regard to William Allum Morrison, and in reply have to state that the matter is receiving attention.

I have the honour to be,

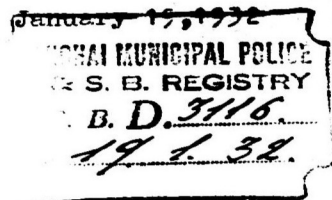
Sir,

Your obedient servant,

Sd. K. M. Bourne.

Commissioner of Police.

WPY/.



MEMORANDUM

on movements of V.A. Morison, suspected Soviet Agent.

Arrived in Shanghai from Moscow via Dairen on January 18, 1932 by the s.s. " Dairen Maru " :-

Vladimir Alexandrovitch

\* MORISON

Soviet citizen, 30 years of age. Holds Soviet passport No 8173 issued at Moscow on December 8, 1931.

Reported to be an employee of the People's Commissariat for Foreign Trade. Has been sent here on a special mission on the instructions of the above commissariat.

He is accompanied by his wife, Mrs Adelina Yakovlevna Morison, 26 years of age.

Efforts to locate their address are being continued.

A. Prokofiev  
D.S.

Officer i/c Special Branch

Information

*WHL*

*DBR 19/1*

MORRISON, William Allum

• MORISON, Vladimir Alexandrovitch

• KURUGASH

• SHERMAK

Took over managership of chemical department  
of "Centrosojus"

Citizen of U.S.A.

Employed by brother's firm, "Keystone Readers'  
Service.

CMP

SMP: S.B. D 3116

MORISON, Adelina Yakovlevna

Wife of above.